A Tool Kit of Housing Options

A collection of possible actions to address the housing needs of Boulder's very low and low income, moderate income, workers and university students.

January, 1999

THE TOOL KIT

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Co-housing is a land use type that provides individual dwelling units, both attached and detached, along with shared community facilities. Members of a co-housing community agree to participate in group activities and members are typically involved in the planning and design of the co-housing project. This tool proposes to amend the Land Use Regulations to allow for more flexible site planning and to identify low-density sites that might be rezoned to allow this use.

Mutual housing is a rental housing choice where the property is owned by a housing non-profit organization and the tenants are actively involved in the management of the housing. In the case of the Rocky Mountain Mutual Housing Association (RMMHA), 51% of the board of directors and 40% of the staff are tenants of units owned by the association. This tool proposes assisting RMMHA to locate and purchase an appropriate property in Boulder.

Cooperative housing is a form of housing where unrelated individuals choose to share a dwelling unit, where each family or individual has rights commensurate with ownership. This tool proposes monitoring the effect of recent changes to the ordinance which make it easier for people to establish a cooperative household. This recommendation is included in the ordinance adopted by the City Council.

Boulder's Downpayment Assistance Program provides public funds to low- and moderate-income households (up to $45,000 annual income) to subsidize, through downpayment assistance, the purchase of a home. Gap financing is the difference between what a moderate income household can afford and the market value of the property. In exchange, covenants are added to the deed of the home, making it permanently affordable to people in a moderate-income range. This tool suggests that the existing city program be expanded to those in a high moderate income range (up to $68,000 annual income).

There are various types of employer assistance that may be offered to employees. One type is provided directly to the individual employee in the form of mortgage subsidies, downpayment assistance, relocation payments and the like. A second type of employer assistance would increase the supply of housing by developing additional housing units through such actions as the provision of land, construction financing or purchase/lease guarantees. This tool proposes a city role in educating employers about housing assistance options, researching possible sites for employer-assisted new housing and exploring a pilot project for housing city employees.

Shared equity or equity pool programs offer prospective home owners downpayment assistance plus a proportionate share of future equity. The equity pool investor, public or private, also receives a proportionate share of future equity. Use of this tool would increase the number of moderate-income homebuyers who could afford to purchase a home in Boulder. This tool looks at three variations for funding an equity pool. The discussion of downpayment assistance (Tool 10) is related to this tool.

Public funds are used to purchase existing housing units by the city or a nonprofit organization for resale or for rental to low- or moderate-income persons. This tool suggests that following the purchase, a deed restriction is placed on the unit in order to insure long-term affordability. The unit is resold at a discounted price to a low-income or moderate-income buyer. The tool includes an option to limit the size of future additions as well. This tool is related to size restrictions (Tool 26) and reverse mortgage (Tool 23).

Multiple fees and taxes are required for all new housing units under Boulder's existing codes. Use of this tool would involve an analysis and review of these fees and taxes to determine if they can be waived or reduced for new affordable housing units.

Inclusionary zoning requires that a specified percent of housing units in new residential projects over a certain size be sold or rented to low-income or moderate-income households at an affordable price. This tool would be implemented through a new city regulation requiring residential developers to include a percentage of affordable housing as part of new projects. Consideration of this tool is tied to related actions regarding the Residential Growth Management System (Tool 22) and to non-residential linkage programs (Tool 14).

Land banking is the purchase of land by the city or a non-profit housing corporation. The land is planned as a future site for affordable housing. A Community Land Trust (CLT) is a type of non-profit housing organization that intends to maintain ownership of the land in perpetuity. Following construction, the land is leased to the residents who own homes on the leased land; their ownership is subject to restrictions on use and resale that keep the units permanently affordable. This tool proposes expanding current land banking programs and identifying appropriate medium density and mixed use sites for land banking and ownership by CLT's.

This tool suggests exploring incentives (such as graduating development fees, continuing to encourage smaller housing units through the Growth Management System) and disincentives to building very large units (such as requiring a TDR, graduating development fees). This tool also suggests disincentives to discourage major expansions of existing smaller homes which today provide a supply of relatively moderate-priced housing.

This tool includes options to address the problem of poorly maintained rental properties, primarily in the University Hill area. Ongoing problems include trash, weeds, parking and noise. Code enforcement could be strengthened. The use of historic building or district designation could provide a financial incentive to upgrade buildings. The university, the city, and the neighborhoods could form a partnership to address off-campus student housing issues. In addition, standards of the non-conforming use section of the code could be revised to allow for limited improvements and expansion to residential buildings built over today's density limits.

Special populations include those people with disabilities, the chronically mentally ill, and homeless individuals and families. These groups are often included in the very-low income group and earn on average approximately $6,000. The strategy supports maintaining the current level of funding and building new partnerships between non-profit housing developers, special population service providers, and private developers.

This tool calls for increased housing for university students, faculty and staff, both on-campus and off-campus. On-campus housing would be constructed on university-owned sites. New off-campus housing would occur in locations close to the campus through redevelopment and/or rezoning of appropriate sites. These units would most likely be rental units in apartment complexes, but could also be condominiums or townhouses. This tool would be used to increase the supply of housing targeted to university students and university employees.

There has not been any new public housing built for very-low income families in the last decade. Federal funds and tax incentives that used to finance new units have shifted to voucher programs. With this in mind, this tool proposes developing strong local incentives for landlords to participate in Section 8 voucher programs.

Tool 1: Accessible Housing

Description

Accessible housing units are those designed for people with limited mobility, including those in wheelchairs, and those with hearing and visual impairments. This housing tool proposes to increase the number of accessible units in future development and redevelopment. Universal design techniques that would make housing units more accessible are also proposed.

Background

According to the 1997 Citizen Survey, the percent of Boulder's population estimated to have access problems due to mobility impairment has remained approximately the same since 1989 when such information was first collected.

Percent of Population with Disabilities/Mobility Impairments

1989	1993	1995	1997
1.5%	1.7%	2.0%	1.7%

However, data from the Foothills Market Analysis (1997) projects an 8% increase in the number of people with disabilities in the 16-64 age bracket from 1996-2001. A demand of 187 new housing units for that same period is anticipated. The total demand for housing units for people with disabilities is 2,620, based on 1996 actual numbers and estimates for 2001.

Federal law requires that new construction projects be designed and readily accessible to persons with disabilities. A minimum of 5% or at least one unit in multifamily projects (whichever is greater) must be accessible for persons with mobility impairments. An additional 2% (but not less than one) must be accessible for persons with hearing or vision impairments.

More affordable housing is needed for people with disabilities, and some need housing with supportive services. According to the *1997-1998 Report on Wheelchair Users' Housing Needs* report prepared by the Affordable and Accessible Housing Options for Physically Challenged (AAHOP) Committee, the type of service most frequently needed is transportation, followed by housekeeping and grocery shopping. Meal preparation and personal and medical care are services in high demand as well.

Since 1980, the City has funded the Center for People with Disabilities Removal of Architectural Barriers Program. Over 150 units of housing have been made accessible to persons with disabilities through this program.

The need for affordable rentals at very low rates is supported by the AAHOP report. The majority of wheelchair users responding to a survey spent approximately 50% of their income on rent and have a median annual income of about $8,230.

How many units currently?

Sage Court	19
Mary Sandoe	24
Barriers Removal	150
Housing Authority Units	28
Independent Living Units	9
Developmental Disabilities	15 beds in two group homes

Who benefits directly or indirectly?
The disabled population would most directly benefit from this tool.

Option One: Include accessible housing in future development and redevelopment projects.

Option Description
This option would set aside a percentage of housing for people with disabilities in redeveloped and newly constructed projects. The federal minimum requirement should be enforced. Criteria for these units are similar to that for the senior population, and include proximity to transportation and services, a ground floor location, a unit on one floor with no stairs, and low monthly cost.

Actions Needed
Education on the Americans with Disabilities Act is needed for the development community and city departments involved with development review. At a minimum, a check for compliance with ADA should be included in the site review process.

Location
The tool could be implemented in redeveloped areas and new, multi-family projects.

Cost
It is most likely that newly constructed units would be developed by a non-profit entity such as the Housing Authority or Thistle Community Housing. Partnerships with the private sector are also possible. Financing might include Housing Program Funds, CHFA, State of Colorado, and long-term debt. Rents paid by people with disabilities living in the units would pay a portion of debt service.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)

Short-term: Determine sites/projects suitable for accessible housing and set aside a percentage for people with disabilities.

Mid-term: Determine financing.

Long-term: Initiate/complete site approval process; begin construction.

Issues

There are few remaining parcels of land left for development; finding and purchasing a housing site suitable for people with disabilities may be both costly and difficult.

Option Two: Utilize universal design in new developments to meet a range of residents needs.

Option Description

There are similarities between the needs expressed by elderly residents and people with mobility impairments. Utilizing universal design in future developments would meet the needs of both populations.

Universal design is the design of products and environments to be usable by all people, including the elderly and people with disabilities, without the need for adaptation or specialized design. The intent of the universal design concept is to simplify life for everyone by making products, communication, and the built environment usable by a variety of populations. Some elements of universal design include wider hallways and doors, a wider turning radius, lowered countertops, raised toilets and the like.

Actions Needed

The actions necessary to implement this tool are identical to the inclusion of accessible housing in future developments.

Location

The tool could be implemented in redeveloped areas and new, multi-family projects.

Cost

Universally designed units could be constructed by public/private partnerships. Financing might include Housing Program Funds, CHFA, State of Colorado, and long term debt. Rents paid by the disabled living in the units would pay a portion of debt service.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)

Short-term: Determine sites/projects suitable for accessible housing and use universal design elements in the development.

Mid-term: Determine financing.

Long-term: Initiate/complete site approval process; begin construction.

Issues

Universally designed developments may utilize more square footage in widened hallways and doors. This may result in fewer units being developed in a project.

Tool 2: Accessory Dwelling Unit

Description

In 1982, the city adopted an ordinance allowing a second unit in single family homes in low density zoning districts. Boulder's ordinance includes the following provisions:

- The ordinance specifies that the right to have an ADU runs with ownership, not the property. When ownership changes, the ADU must be removed, and the new owner must reapply if an ADU is desired.
- A maximum of 10% of the single family homes within a neighborhood area (defined as a 300 foot radius around the applicant's home) may have an ADU. Non-conforming structures, such as duplexes in downzoned areas, count in this calculation.
- No more than two persons may occupy the ADU, and the occupancy of the entire house may not exceed three unrelated persons.
- The ADU permit is revoked if the property owner does not comply with other ordinances of the city which regulate property maintenance and nuisances.
- Neighbors are notified of the application through a posting of the property and direct mail.
- The maximum size of an ADU is 1,000 square feet, or 1/3 of the size of the main house, whichever is less.
- A minor expansion of the building footprint is allowed, but it is not allowed to exceed 5% of the total floor area.

This tool suggests that the ADU ordinance be considered for amendments to better serve an affordable housing strategy and to encourage more homeowners to add an ADU unit.

Background

The intent of the Accessory Dwelling Unit ordinance was to enable the cost-effective and efficient use of existing single family homes in Boulder. In particular it was hoped that ADU's would offer supplemental income and possible services to older residents and to single parent households, allowing them to stay in their homes. An added bonus would be an increase in the supply and choice of rental housing in the community.

Adopting the original ordinance was not easy. At the time of adoption, public opposition came from homeowners, particularly those in the University Hill neighborhood. It was feared that ADU's would adversely affect the character of the neighborhood because of the increase in density, noise, and traffic created by ADU tenants. Supporters included the Gray Panthers, CoPIRG, the Boulder Tenants Union and the CU student government.

After six council meetings, Boulder's present ordinance was adopted. It began as a simple ordinance with few restrictions other than owner occupancy, and ended up the complex ordinance that we have today.

Only three changes to the original ordinance have been adopted. In the late 1980's, an amendment was approved which required a dwelling unit to be at least five years old before the owner could apply for an ADU. The change was made because of the belief that these units should not be built into new homes. In September 1997, a change was made which allows accessory units in the Mixed Density Residential-Established zone, and these may be in a second "carriage house" type of building. They are called Owners Accessory Units (OAU's). The third amendment changed the rental licensing requirement from annually to once every three years.

The fee to apply for either an ADU or OAU is $1200.

How many units currently?
Since the ordinance was adopted sixteen years ago, fewer than 200 applications have been received. Many of these could ultimately not meet the standards of the ordinance. Some were approved and never built; others had an ADU unit for a period of time but no longer have one. Today there are 88 licensed ADU's. One OAU has been approved in an existing house, one "carriage house" unit is under construction, and a third is under review.

Who benefits directly or indirectly?
In 1994, a survey of existing ADU owners was done that sheds light on direct and indirect benefits. There were 90 owner responses from the 105 licensed ADU's at that time. From the home owner's perspective, 76% said the primary direct benefit was that the income from the ADU helped with their mortgage payment. Of those responding, the rent from the ADU was used to help with mortgage payments, the most frequent income category of the owner was from $50,000 to $75,000; the second most frequent income category was from $15,000 to $24,000. In open ended questions, respondents wrote as well about the companionship and safety benefits they felt by having an ADU in their home.

Approximately 25% of ADU owners were retired. Another 40% were found in older households (42 to 53 years) which may no longer have children at home.

By far, the majority of ADU tenants (69%) were single working persons. The remaining respondents indicated that the ADU occupants were couples (9%), relatives (7%), students (6%), live-in help nurse (%), nanny (4%), retired persons (3%) and other (2%). Although few in number, ADU's seem to fill a particular niche for single working persons. Questions were asked about the rental rates paid by tenants. The majority of respondents (85%) collected rent from the ADU, 2% collected rent from the main house and lived in the ADU, and 13% did not collect any rent. Fifteen percent reduced the rent or exchanged rent for services, such as child care and property maintenance. ADU rents ranged from $300 to over $900 per month, with the most frequently cited range being from $601 to $700 per month. The older units tended to charge lower rent. There was a slight correlation showing that homeowners who had an ADU for extra income to meet mortgage payments charged the market rate ($600 to $700 in 1994).

Option One: Market ADU's.

Option Description

There has never been an attempt to market accessory dwelling units as a good housing option. In fact, the many rules and the high application fee suggest ambivalence. If this is a housing tool to be strengthened, an information program might be designed to explain the housing type and its benefits.

Actions Needed

If selected by Council, an information program promoting accessory dwelling units could be developed in-house. A program to get the word out might include the use of Channel 8, the design of a user-friendly pamphlet for wide distribution, the use of the local print media and other such approaches.

Location

ADU's are allowed in all low density residential zones if the standards are met.

Cost

A good program could be developed for under $5,000. Public funds would be the most likely funding source and existing departmental budgets could likely cover the cost.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)

If this is a priority, a marketing program could be developed within six months.

Issues

There are no issues, but there would need to be a political decision to promote this housing tool.

Option Two : Simplify the ADU Ordinance.

Option Description

There are several changes to the present ordinance that would make it less cumbersome and more straight-forward to add an ADU to an existing house. However, the requirement for owner occupancy and a limit of three unrelated persons should be retained because they are the best assurance for surrounding neighbors that an ADU will be of low impact. These requirements can be difficult to enforce.

Actions Needed
Among the possible changes are:

a. Eliminate the 10% Rule. Allow ADU's in any owner-occupied home that meets the other standards of the ordinance. The 10% rule effectively disallows most homeowners in neighborhoods that have been down-zoned from applying for an ADU because there are typically a number of legal, but non-conforming, units in these areas. If this change were made, it would logically eliminate the requirement that an accessory unit be removed if the property is sold, providing that it remains owner occupied (there would be no competition for the 10% of ADU's allowed). A reinspection should be required of each new owner. The change would also make the neighborhood notification requirement moot, as this was designed to ferret out existing illegal units that had not been licensed.

b. Change the 10% Rule to 50% and expand the neighborhood radius from 300 feet to 600 feet. Rather than eliminate the 10% rule, the percent of homes allowed to have an ADU could be raised and a larger area used for the calculation. This would have the effect of still limiting the number of ADU's in a given area, but would be less restrictive. A related option would be to use block face rather than a radius in the calculation. This change would make it easier for an ADU applicant to determine if an ADU is possible at an address and easier for staff to administer.

c. Modify the parking requirement. The necessity to provide a second off-street parking space has been the single factor that has disqualified the most potential ADU applicants. This requirement could be waived or modified to allow tandem parking in existing driveways where it isn't possible for the applicant to meet the requirement. Eliminating the parking requirement was not supported by the Housing Strategy Group.

d. Raise the minimum size of ADU's. The ADU size limit of 1,000 square feet or one-third of the square footage of the house does not work well in all situations. For example, basement conversions for ADU's may often approach one half the size of the house. Exceeding the size limit can be done under the present regulation, but requires a trip to the Board of Zoning Adjustment and a demonstration that there is no practical way to meet the requirement.

Location
ADU's are allowed in all low density residential zones if the standards are met.

Cost
The only cost to make changes to the ordinance would be in staff time. Amending the ordinance, if the direction is clear, is not time-consuming. Simplifying the ordinance will reduce administrative costs over the long haul. Public funds for staff time would be the most likely funding source. There would be no cost beyond staff salaries and hearing notices.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
With clear directions, amendments to the ADU regulations could be made in the short-term.

Issues

The stability of the city's low density residential neighborhoods is the core concern of those who would be opposed to these changes. The initial passage of the ordinance was a hard battle, and the provisions that are options for change were added to the ordinance to give the neighborhoods more protection. Time and experience may have modified the concern. There have been very few neighborhood complaints, there is strong support for the program from those leasing and renting ADU's, and the licensing inspectors rarely find problems.

It is impossible to estimate the market for ADU's. Not every home owner would want one; in fact, current numbers indicate that there are fewer ADU's now than there have been in the past. ADU's may have a larger role to play as the population ages and household size declines. There may not be much awareness of the program.

Option Three: <u>Reconsider size restrictions and allow ADU's in separate structures in specific zones.</u>

Option Description

In order to help assure affordability, reduce the maximum size of an ADU from 1,000 square feet, or 1/3 the size of the primary unit, to 400 square feet.

<u>Allow ADU's in separate structures (i.e. carriage house unit, over garage unit) for both existing and new homes if the units are permanently affordable.</u>

Provide an incentive for the development of small, permanently affordable rental units. This incentive may be especially effective during new home construction. Allow this option in Estate Residential and Rural Residential zones. Require permanent affordability of the ADU.

Actions Needed

Implementing these changes requires an amendment to the ADU regulations.

Location

ADU's are allowed in all low density residential zones if the standards are met. This option would expand the possible locations of ADU's to the large lot residential zones if permanent affordability is guaranteed.

Cost

There is no cost to this option except for the staff time involved. These incentives may encourage the private sector to build affordable units without a public sector contribution. Public funds to pay staff salaries are the funding source. There would be no cost beyond that already allocated for staff salaries and hearing notices.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
Making this change to the regulations could be done within six months if the direction is clear.

Issues
The affordability of ADU's was assumed when the ordinance was passed. Experience shows a mixed picture. In recent years, staff has processed more applications for large ADU's, and the ADU survey indicated that the newer units (where rent was collected) were typically priced at the market rate. These changes would make the ADU more specifically a tool in an affordable housing strategy.

Option Four : Reduce the application fee.

Option Description
The $1,200 application fee should be reconsidered. While cost-recovery is the goal, a simplified ordinance should substantially reduce staff time. At a minimum, some fee reduction for projects guaranteeing permanent affordability should be on the table. Seniors applying for an ADU might also be granted a reduced fee.

Actions Needed
When decisions are made about amending the ADU regulations, a decision about a fee reduction should be made concurrently. Because cost recovery is a city goal, the actual time required to process an ADU should be looked at again.

Location
ADU's are allowed in all low density residential zones if the standards are met.

Cost
Staff time spent would be minimal, so the public cost to prepare the fee change would be very small. There would be a decrease in revenue if the fee is lowered significantly and few new units are applied for. If changes are made which simplify the ordinance and more homeowners elect to develop an ADU, revenue could remain the same or increase. The only cost is the staff time required to prepare the change.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
Changes to fees could be processed concurrently with other changes to the ADU regulations, and done in the short term.

Issues
Cost recovery remains a priority for the Planning Department. It would have to be clear that processing time would be reduced, or that a benefit would be gained by reducing the fee. Whatever the fee, it will be passed on to the tenant, and may be a factor in the setting of the initial rental fee.

Tool 3: Annexation Policy

Description

The city's annexation policies are adopted as part of the Boulder Valley Comprehensive Plan (BVCP Policies 1.12, 1.14, 1.16, 1.20) and provide guidance for the annexation of property to the city. Annexation may be considered for parcels located in Area II of the BVCP (the city's Service Area). The current policy requires, among other requirements, that an annexation of land with significant development or redevelopment potential "resolves an issue of public health or provides a special opportunity or benefit to the city." This tool proposes clarification of the current annexation policy to better define what constitutes community benefit.

Background

The city anticipates only limited physical expansion in the future. Area II in the Boulder Valley Comprehensive Plan delineates the city's Service Area, the area the city anticipates annexing (see attached map). Key provisions of the city's annexation policies include:

- annexation is required before providing city services;
- annexation of existing substantially developed areas will respect existing lifestyles and densities;
- annexations with significant development or redevelopment potential will be supported only if they resolve an issue of public health or provide a special opportunity or benefit to the city. Provision of the following may be considered a special opportunity or benefit: permanently affordable housing, receiving sites for transferrable development rights (TDR's), reduction of future employment projections, land and/or facilities for public purposes over and above that required by the city's Land Use Regulations, or other amenities determined by the city to be a special opportunity or benefit.

Identifying permanently affordable housing as one of the community benefits that may be provided by an annexation has been a strong and effective method for obtaining new units.

In the annexation process, the city has a great deal of leverage to assure that community goals are met, and requires more than what is asked for a property within the city limits. In several recent annexations, between 35% and 94% of the units will be permanently affordable to low and moderate income families. These annexations include Iris Hollow, Violet Hollow, Four Mile Corner, Nomad Co-housing, and Crestview East.

Although the city's annexation policy has provided the community with a strong tool, the vague language of the policy has made the determination of what constitutes sufficient "community benefit" a negotiation between the applicant and the city, with the Planning Board and City Council making the final decision. We do not have clear guidance on the quantity and type of housing or other community benefit expected from an annexation.

How many units currently?
61 in approved developments currently under construction or completed.

Who benefits directly or indirectly?
Very-low, low, and moderate-income would potentially benefit.

Option One: <u>Amend annexation policy to clearly identify city's expectations and what constitutes a "community benefit".</u>

Option Description
Refine the current annexation policy to clarify requirements and definitions. One approach could be to clarify the requirements relevant to each community benefit independent of one another; an alternative approach would be to create equivalencies between the various community benefits to ensure each annexation is providing an equivalent share of community benefits; yet another approach might enable density bonuses for the production of affordable housing through the purchase of TDR'S.

An example of the first would be determining the percentage of units that would be required to be permanently affordable; or in the case of TDR's, the ratio of TDR's that must be purchased for each unit approved in the annexation. In contrast, the second approach would require that annexations provide equivalent community benefit so that the cost of the units required to be permanently affordable is equivalent to the cost in another annexation where TDR's are provided as the community benefit. The third approach would allow additional units through the purchase of TDR'S.

Actions Needed
It will be necessary to quantify the requirements for each community benefit. It may be beneficial to hire a consultant to analyze costs to provide the basis for setting requirements.

Location
This change would affect the annexation of Area II land.

Cost
Depending on the scope, a consultant's analysis may cost $10- 30,000. Staff time.

Timing

Short-term (6 months):	Determine scope of required analysis and decide whether or not to hire a consultant.
	Conduct analysis and prepare proposed changes to the city's annexation policy.

Issues:
It will be difficult to set specific standards and requirements for each community benefit, and will require examining and understanding the costs of each of the different community benefits.

Option 2: City could determine that affordable housing is the highest priority community benefit and require annexations to provide a specific percentage of affordable housing.

Option Description
The city would set specified guidelines regarding the amount of affordable housing and target income groups, and all annexations would be required to include an affordability component that meets the requirements. Cash-in-lieu provisions could be allowed for single lot or small site annexations.

Actions Needed
Develop appropriate guidelines for affordable housing in annexations based upon the recommendations in the final housing strategy and amend annexation policy.

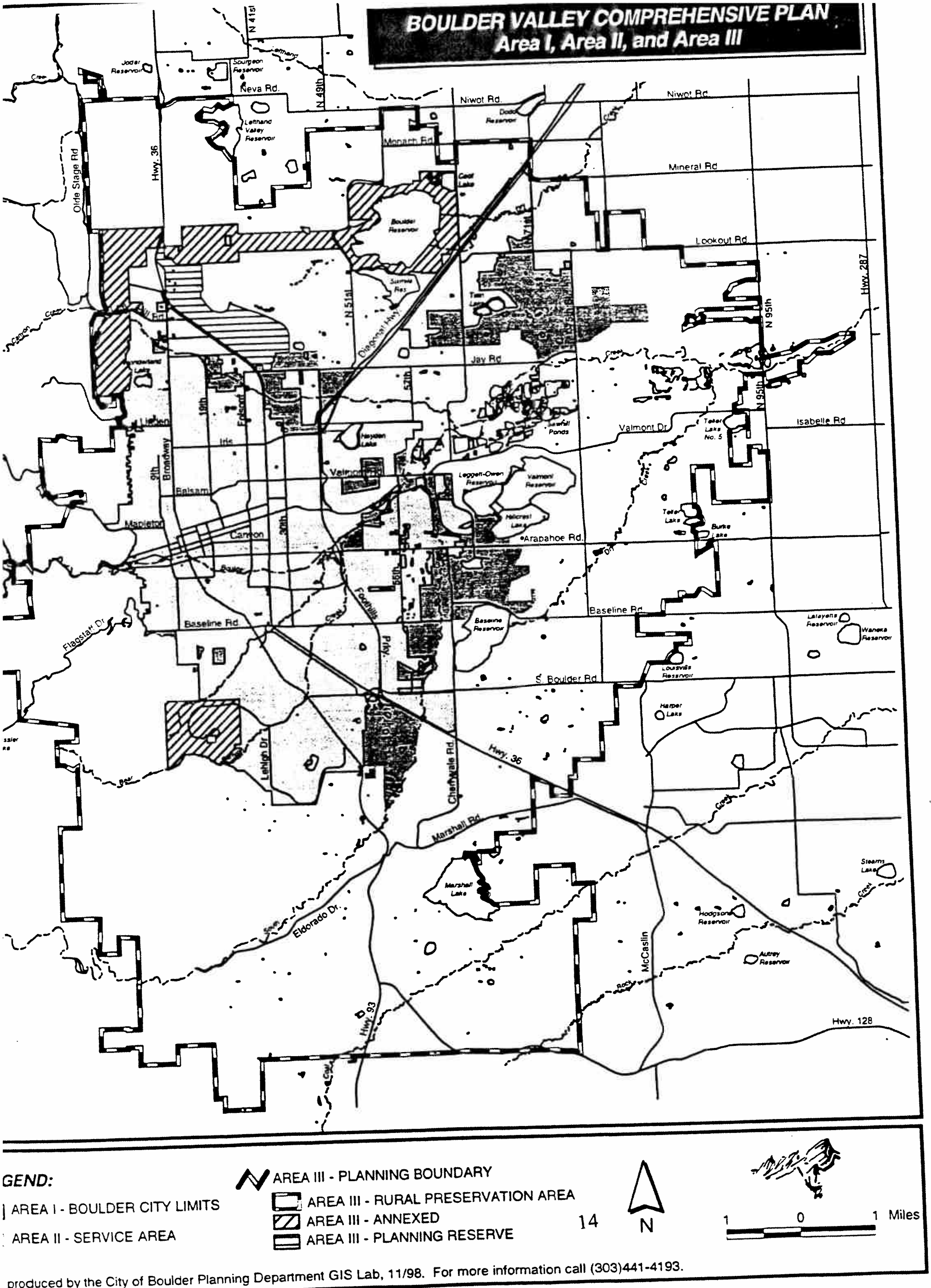
Location
Sites currently located in Area II would be affected.

Cost
NA

Timing

Short-term (6 months):	Conduct needed analysis, determine guidelines and prepare proposed changes to the city's annexation policy.

Issues
The City Council needs to determine if affordable housing is the highest priority community benefit for annexations, to the exclusion of other benefits. There may be sites where other community benefits are desired, e.g. land dedication, TDR's.


BOULDER VALLEY COMPREHENSIVE PLAN
Area I, Area II, and Area III
Neva Rd.
Niwot Rd.
Monarch Rd
Mineral Rd
Lookout Rd
Jay Rd
Valmont Dr
Isabelle Rd
Arapahoe Rd.
Baseline Rd
S. Boulder Rd
Marshall Rd
Eldorado Dr.
Flagstaff Dr
Hwy. 36
Hwy. 287
Hwy. 93
Hwy. 128
Olde Stage Rd
Diagonal Hwy
N 41st
N 49th
N 51st
N 95th
19th
Broadway
9th
Iris
Balsam
Mapleton
Canyon
30th
55th
Foothills Pkwy.
Lehigh Dr
Cherryvale Rd.
McCaslin
Boulder Reservoir
Valmont Reservoir
Baseline Reservoir
Marshall Lake
Hodgson Reservoir
Autrey Reservoir
Harper Lake
Louisville Reservoir
Burke Lake
Teller Lake
Steams Lake
Waneka Reservoir
LEGEND:
AREA I - BOULDER CITY LIMITS
AREA II - SERVICE AREA
AREA III - PLANNING BOUNDARY
AREA III - RURAL PRESERVATION AREA
AREA III - ANNEXED
AREA III - PLANNING RESERVE
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Tool 4: Building Code, Land Use Regulations and the Planning Review Process

Description
This tool includes a combination of approaches that seek to make more efficient use of existing housing resources by removing regulatory barriers or by encouraging the adaptive reuse of existing buildings. Other approaches encourage development of affordable housing either by providing incentives to developers to include affordable housing in new developments, giving developers greater flexibility in design and site development, or some combination of the two.

Background
Building costs, site development costs and processing time have significant impacts on housing costs. Site planning and development costs may make up 10 to 20 percent of the cost of a new single-family home. Recognizing the links between land use regulation and housing costs, the city can encourage affordable housing by reviewing and updating land use and development policies.

Who benefits directly/ indirectly
Any group seeking a lower cost housing unit (either renters or buyers) could benefit from the decreased building costs or renovation costs. The developers would initially see the savings on costs and would pass savings on to tenants / buyers.

Option One: Allow less expensive building materials or construction methods for new development.

Option Description
Allowing the use of less expensive building materials and/or construction methods can translate into lower prices for renters and homebuyers. Varying building or development standards can significantly lower site development costs and building costs without substantially reducing the health and safety of the occupants.

Some examples of savings include varying the requirements for building materials such as using less lumber in both exterior and interior walls and the efficient use of labor and materials. This can be done by changing the framing standards to allow better insulation practices and reduce framing materials.

Actions Needed
Extensive research would need to be done to determine long-term effects and sustainability of changing the building codes. Staff would need to study the possible options for changing the codes and would need to develop policy/regulation changes.

Location
New development throughout the city.

Cost
Staff time

Timing

Short-term (6 months):	Staff work to study possibilities and ramifications.
•	Develop policy changes.
Mid-term (18 months):	Review policy changes with Planning Board.
•	Bring ordinance to City Council.

Issues
The building codes provide minimum standards to safeguard life, health and public welfare. Reducing these standards must be balanced against other considerations such as the impact on neighboring properties, long term maintenance and upkeep, loss of community character and equity issues across all income groups.

Since Colorado is a home rule state, the City of Boulder is not required to adopt the state adopted building codes, although in most cases, it does. Currently, the city enforces the 1997 Uniform Building Code (U.B.C.). Local amendments have been adopted to accept adobe, strawbale and rammed earth construction as alternate building materials and methods. The code has also been modified to accept the reuse of lumber for particular types of construction. The code allows building permit applicants to provide evidence or proof if other alternative methods or materials are proposed. The building official has the authority to approve such alternatives if an equivalence to the current code is satisfied.

The Boulder Energy Conversation Center operates Resource 2000, a place where building materials are stock-piled for reuse at a nominal cost.

Currently, a national performance-based building code is being drafted by the International Code Council. If adopted, a performance-based code will establish performance expectations which may allow numerous alternatives for fulfilling code requirements.

Option Two: Adopt rehabilitation-tailored codes for existing buildings.

Option Description
Updating building codes to be more conducive to the renovation and rehabilitation of older structures can encourage urban infill and reuse of existing buildings for affordable housing. State-of-the-art electrical and plumbing materials and construction techniques may not be appropriate for many older homes and buildings and may prohibit the reuse of such buildings for affordable housing purposes.

The city uses a 'Uniform Code for Building Conservation' as a guideline for older buildings. Actually, adopting this code would result in a tighter code and could present a cost barrier to people trying to upgrade existing buildings. For renovation of older buildings, the building department asks that the applicant meet the 'intent of the code' and will work with applicants to incorporate alternative materials and practices. Applicants are encouraged to work with the building department and use the guidelines.

Currently, the regulations for the rental licensing code require applicants to upgrade their properties every time the city plumbing and mechanical codes are changed. Requiring compliance with the codes when the applicant is first issued a rental license and when the applicant requests changes to the property would be more reasonable than constantly requiring upgrades.

Actions Needed
Clearer interpretation and specification of rehabilitation methods that can compensate for differences with the codes for new buildings can be made clearer to potential applicants. Drafting specific codes that would encourage renovation and rehabilitation could make this easier for potential applicants.

The rental licensing code should be changed to not require compliance with every plumbing and mechanical code upgrade.

Location
Redevelopment throughout the city.

Cost
Staff time to research potential changes and draft policies.

Timing

Short-term (6 months):	Staff work to study possibilities and ramifications.
•	Develop policy changes.

Issues
Same as option one.

Examples
State building codes in Massachusetts and Georgia are tailored to encourage the rehabilitation of historic buildings by creating 'compliance alternatives' or ways in which historic buildings can compensate for code deficiencies through alternative means.

Option Three: Allow changes in the site development standards to allow efficiency and cost savings.

Option Description
Varying site development standards can lower site development costs and building costs without substantially reducing the health and safety of the occupants. Revision of subdivision standards can promote more efficient use of labor, materials and time, thus expediting the construction process and saving on total development costs.

Site development costs include the labor, material and equipment expenses for the construction of roads, sidewalks, water and sewer lines, drainage, landscaping, and other on-site work. Many of these savings would be for up-front costs where only the initial development costs are reduced (potentially at the expense of maintenance or energy costs to the buyer in the long-term).

Street Standards
The new street standards that were adopted as part of the Residential Access Program (RAP) are cutting-edge minimum standards for street design and construction that already allow savings in resources and energy conservation. These standards allow streets as narrow as twenty feet, if volume, density and unit type criteria are correct. The RAP standards also allow for reduced turning radii for cul-de-sacs. The new design criteria adopted in the spring of 1998 allow for rollover curbs for low volume, low density residential streets, however vertical curbs are required for higher traffic streets to protect pedestrians and landscaping. Drainage capacity can be an issue when considering where rollover curbs are appropriate. Sidewalk reductions (either in size or limitation to one side of the street) can result in site development savings, however adequately sized sidewalks and pedestrian linkages are very important for all residential areas. Only the residential access lanes are exempt from sidewalks. Due to the lack of traffic volumes, a concept of shared use (pedestrian, cars, and bikes) is used for the access lane.

Utility Standards
Initial development costs can be decreased by using methods which reduce water and sewer utility requirements including: common trenching for multiple utilities; shared sewer laterals and water service lines serving two or more dwellings; and reduced water and sewer line sizes.

Parking Reductions
Parking reductions have frequently been granted for affordable housing projects. Many senior housing projects have received very large parking reductions. The Land Use Regulations specify that up to 70% of the number of required spaces may be reduced for government sponsored elderly housing projects. These projects receive higher reductions than other residential projects because many of the residents do not have cars nor do they drive.

Actions Needed
Staff can explore ways to further reduce and refine site development standards.

Location
New development throughout the city.

Cost
Staff time and possibly increased maintenance costs.

Timing

Short-term (6 months):	Staff work to study possibilities and ramifications. Extensive research would need to be done to determine long-term effects and sustainability of changing site development codes. Develop policy changes.

Issues
Changes to the water and sewer utility standards would have to be city-wide changes, not only for affordable housing. These are nationally recognized and practiced minimum standards designed to protect the health and safety of residents. Many of the savings for utility installation are up-front costs that provide limited savings to the builder and may present future problems for the residents. For example, shared water and sewer lines can present problems with meter reading, maintenance and service.

Examples
Longmont has reduced the minimum amount of landscaping required for projects containing at least 20% affordable housing. They also reduced the required number of off-street parking spaces for low/moderate affordable housing units.

Option 4: Fast track processing for affordable housing.

Option Description

An expedited review process would be allowed for projects which include a certain amount of permanently affordable housing. Lengthy permit approval processes can add months or years to the time it takes for project approval. This translates into additional money needed to cover higher interest costs in carrying the land. These costs may be passed on to homebuyers, pushing otherwise affordable homes out of the reach of low- and moderate-income families. Projects with permanently affordable housing are especially vulnerable to excess costs since they have much smaller margins to work with.

Over the past several months, staff has been working to craft a new development review process for all applications. Our current process tends to involve time-consuming custom processing of applications. What is being developed is a more efficient, predictable process that incorporates a 60 day limit for all reviews. Changing the process to have predictable, timely review schedules and decision dates for each application is one of the primary objectives of the project. The new three-step review process includes a meaningful pre-application step, preliminary project review, and final project review. Implementation of the new process will begin in the last quarter of 1998. When the new system is in place, projects with affordable housing, like those without, will benefit from the increased predictability and certainty of the development review process schedule.

Actions Needed

Implement proposed changes.

Location

City-wide

Cost

Staff time

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)

Currently being implemented.

Tool 5: Co-housing and Mutual Housing

Description

Co-housing is a design and land use concept that provides individual dwelling units, both attached and detached, along with common facilities that are used to create a sense of community among the residents. Typically, a common facility includes a large kitchen and communal dining area where different households are responsible for providing a dinner on any given night and residents may choose to either eat with their neighbors or not. Members of a co-housing community usually self-select each other prior to or during the project's planning and design phase and participate directly in the design of the project.

Mutual housing is a rental housing choice where the property is owned by a housing non-profit association and the tenants are actively involved in the management of the property and are members of the association. Mutual housing is often perceived as a logical step between renting and home-ownership. In the case of the Rocky Mountain Mutual Housing Association (RMMHA), 51% of the board of directors and 40% of the staff are tenants of units owned by the association. Leadership and skills training are a part of this housing option.

Background

There is one eleven unit co-housing project in Boulder, the Nomad Co-housing Project. Of the eleven units, three are permanently affordable to low income buyers, four are permanently affordable to moderate income buyers.

The project required both annexation and rezoning. Rather than the low density zoning projected in the comprehensive plan, the developers sought medium density zoning for the site. The high percentage of affordable housing, the proximity to shopping and services, and the site location one block from a primary transit corridor were compelling reasons to support the zoning change which allowed the construction of the project.

There are no mutual housing projects in Boulder.

How many units currently?

At this time, there are eleven co-housing units adjacent to the Nomad Theater.

Who benefits directly or indirectly?

Families, entry level professionals, seniors, first time homebuyers, CU faculty may benefit. Co-housing and mutual housing are special types of housing and lifestyle that may serve many different types of people.

Option One: Work with co-housing developers to identify appropriate land. Consider rezoning if the change makes good land use sense.

Option Description

The real impediment to co-housing development is the lack of appropriate land in the city with medium density zoning or higher. There may be opportunities in Area II, in districts with mixed use or main street zoning or on city land banked property to plan for more co-housing projects. This option proposes that the staff be open to exploring possibilities initiated by a co-housing project developer.

Actions Needed

When a co-housing group or developer has begun to search for sites, provide staff support in the search and later public process.

Location

The most likely location for traditional co-housing projects is on the periphery of the city on vacant parcels of two acres or more.

Cost

There would be little cost to the city. A staff person in the Planning Department could be identified to help co-housing groups in their search for appropriate land.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)

The timing would be dependent on co-housing groups or developers coming forward.

Issues

- Co-housing works best in medium density zoning districts, and very few vacant parcels zoned for medium density remain in the city.
- Rezonings are unusual and usually unpopular in Boulder.
- Rather than a rezoning, a density bonus for permanently affordable units in a co-housing project might be considered.
- Finding appropriate land doesn't address the issue of land costs which are very high.
- Co-housing can be a process intensive housing choice. It is driven by potential residents, not necessarily a developer.
- The Nyland Co-housing community in Lafayette has seen dramatic price increases because of the desirability of the development. Without restrictions, the home prices in a co-housing project would likely escalate. On the other hand, the permanent affordability requirement for units that are very close to market price, as was the case with the Nomad's project, are difficult to sell.

Option Two: Assist the RMMHA in locating and acquiring a property appropriate for a mutual housing project.

Option Description

As with the co-housing option, the real impediment to the construction of a mutual housing project in Boulder is the limited land available at the high and medium densities that are required. The RMMHA has also purchased multi-family projects, rehabilitated them and then leased them. The association has looked in Boulder but could find nothing in their price range. This option suggests developing a partnership with this group and together looking for rental opportunities that could fit this model.

Actions needed

The RMMHA is interested in exploring how a partnership might be developed. Local interested tenants might also be a part of these discussions.

Location

Medium and high density zoning would be required, regardless of whether new units are built or existing units are purchased.

Cost

A subsidy may be necessary, although the amount depends entirely on the proposal.

Timing

The timing is probably dependent on a new funding source, although it may be possible to reallocate funds or provide land that has been land banked to RMMHA.

Issues

- Mutual housing is a new concept and not very well known. Success with the project would probably rest on finding local advocates interested in the concept.

Tool 6: Cooperative Housing

Description
Cooperative housing is a form of housing where unrelated individuals choose to share a dwelling unit and where each family or individual has rights commensurate with ownership.

Background
About two years ago, the city adopted a Cooperative Housing ordinance that would allow this housing type on a limited basis in certain residential districts. To date, no one has applied for a cooperative housing permit. Amendments were recently adopted by the City Council which make it easier for interested individuals and families to establish a cooperative household.

How many units currently?
There are no cooperative housing projects approved under the current ordinance, although a handful of groups have managed to form cooperative households legally under existing high or medium density zoning.

Who benefits directly or indirectly?
Many types of people could benefit including the low income, seniors, families, special needs individuals, low wage service workers, entry level professionals, students and renters.

Option One: Monitor the effect of the cooperative household regulation .

Option Description
Monitor the effect of recent ordinance changes. The intention is clearly to allow cooperative households to form where there is citizen interest. .

Actions Needed
Changes to the original ordinance which allow renters in cooperative housing units and relax the occupancy standard have been adopted. Cooperative households are now a conditional use in all residential zones. Monitoring and a report to the City Council by the end of the year 2000 are requirements of the new regulation.

Location
Cooperative housing is allowed in all residential neighborhoods as a conditional use in all other zones. A conditional use is a use-by-right if specified conditions are met.

Cost
If more changes are desired, more staff time will be required.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
An ordinance which would allow renters and relax the occupancy standards has been recommended to Council by the Planning Board. It is scheduled to be heard on November 17. Amending the standards further if it was a priority could be done in the short term.

Issues

- Cooperative housing can be an efficient use of the existing housing stock.
- It may allow lower income people to "pool" their financial resources and gain the benefit of equity increases.
- Changes which broaden the use of cooperative housing could help alleviate over-occupancy problems in city.
- History with the enforcement of city codes suggests that it may be difficult to enforce "nuisance" violations that may occur because of increased density.

Tool 7: Downpayment and Gap Financing Assistance

Description
Public funds are used to subsidize purchase of real estate and/or improvements through downpayment assistance to the targeted home buyer.

Background
The city has administered a down payment assistance program since 1996. The purpose of the program is to provide gap financing to make up the difference between what the purchaser can afford as a down payment and the amount needed in order to make the financing work for the purchaser. Experience with the program suggests that the amount granted ($7,000-$45,000) allows moderate income purchasers to purchase condominiums, but affordable townhomes and single-family detached homes are more difficult to find. Prospective homebuyers have had difficulty in finding houses they could afford based on their income and mortgage payments unless they receive the maximum amount of down payment assistance.

Since 1996, the city has required that all units assisted through the Housing Fund Program remain affordable in perpetuity. Covenants are placed on these properties to ensure long term affordability. The Housing Fund includes the following funds: federal funds from Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME); local funds through the Community Housing Assistance Program (CHAP), and from pipeline projects. These latter are residential projects, initiated prior to the adoption of the revised Residential Growth Management System (RGMS), which can contribute cash, also known as "cash-in-lieu" instead of building affordable housing units.

In addition to assistance through the Housing Fund Program, there are a number of "gap financing" methods, such as flexibility in financing and underwriting which are being used to help qualified buyers purchase a housing unit in Boulder. Some of these are being implemented through partnerships between the city, Fannie Mae, the federal government, local lenders and non-profits.

How many units currently?
30 (23 currently affordable; 7 permanently affordable)

Who benefits directly or indirectly?
Directly: moderate income homebuyers ($35,000 to $45,000 household income, or 60 to 80 percent of the area median income).

Option One: Expand the Down Payment Assistance Program.

Option Description

Expand the existing program to include high moderate or middle income households with household incomes between $45,000 and $68,000, or 80 to 120 percent of the area median income. This program would increase the supply of permanently affordable housing units; it also increases the number of moderate/high moderate income homebuyers who could afford to purchase a home in Boulder.

Actions Needed

Council approval to expand target to include high moderate income homebuyers. Identification of additional local funding since federal funding could not be used for high moderate income households.

Location

City-wide, dispersed.

Cost

$50,000+/- per unit subsidy including additional staff costs to administer a broader program.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)

Short-term: City Council could approve expansion of program, and additional funding identified.
Long-term: Implementation of program, funding in place, affordable units purchased.

Issues

- Since federal funds can only be used up to a certain income level, local funds would have to be used for subsidizing high moderate income households.
- Federal guidelines of $189,500 per unit needs to be revised.
- The covenant placed on permanently affordable housing units can be a disincentive for purchasers for the following reasons:
  - The cost of certain improvements to the house or property as defined in the covenant may not be recouped at the time of sale.
  - The return on the buyer's initial equity investment is limited to cost of living increases and thus buyer could have difficulty in being able to "move up" into a market rate home.

Option Two: Expand partnerships to implement gap financing.

Option Description

A number of flexible financing and underwriting techniques are being implemented for Boulder homebuyers through Fannie Mae, local lenders, and the City of Boulder. Fannie Mae is interested in becoming more aggressive in local markets where partnerships between the city and local lenders can be strengthened. The city should work with Fannie Mae to identify new programs and other possible partners who would be interested in participating, such as local lenders and not-for-profit organizations. In some cases, good programs are in place that are not widely known or used. Increased marketing and public education should be done to increase participation in existing programs.

A partnership with Historic Boulder should also be explored. Both the city and Historic Boulder would like to see older, smaller affordable homes preserved instead of demolished. Using a variety of funds has the effect of reducing the loan to housing unit value ratio, making it easier for qualified buyers to purchase a housing unit in Boulder.

Actions Needed

Discussions with Fannie Mae, local lenders, and Historic Boulder should occur. Additional funding sources should be identified, such as the State Historic Society.

Location

City-wide, dispersed.

Cost

$25,000 to $65,000 per unit, depending on need.

Timing: Short-term (6 Months), Mid-term (18 Months), Long-term (2 Years)

Short-term: Discussions with Fannie Mae, local lenders, and Historic Boulder could occur to discuss new programs. New programs may take longer to implement, but marketing and public outreach for existing programs can occur in the first year. Outreach and marketing should be organized to promote and explain existing programs. Market research should also occur to determine if the need is being met by current programs, or whether needs could be met with alternative approaches.

Issues

- If additional funds, i.e. historic preservation funds, can supplement local funds, there would be more flexibility on the price of a unit to be included in the program.
- Gap financing techniques may be a cost effective way to help buyers into the market, since they don't necessarily include direct subsidies.
- If historic preservation funds were used, a covenant including historic preservation criteria could be placed on the housing unit.

Tool 8: Employer Housing Assistance

Description

Job growth fuels housing demand. Housing can be seen as a part of the infrastructure necessary for job growth. There are various forms of assistance relating to housing that employers may be able to offer their employees. The most basic tool is to formalize a program to educate employers about current city programs and other types of assistance that might benefit their employees and encourage the information to be circulated to new and existing employees. Another type of assistance could be provided directly to the individual employee in the form of mortgage subsidies, down payment assistance, relocation payments and the like. Housing assistance can also be provided by employers by encouraging the development of additional housing units through such actions as the provision of land, construction financing and/or purchase/lease guarantees of new units.

The options detailed in this tool are primarily focused actions the City of Boulder could take in order to facilitate an employer's ability to provide housing assistance to employees. However, employer assisted housing is a tool that could be expanded to allow a broader community involvement and responsibility from employers either individually or collectively. For example, an employer could set aside an investment pool within the company to be used to invest in home purchase equity sharing for essential employees. Should options be expanded within this tool, some responsibility for housing could be shifted from a city focus to the employer/private sector, or shared between employers and the City of Boulder.

Background

Employers have increasingly expressed concern about recruitment and retention of employees. In the "Boulder County Workforce Characteristics and Opportunities" study conducted for the Boulder Economic Council in May 1998, two-thirds of the businesses responding expressed concern about retaining skilled people. One of the contributing factors for this concern is the decreasing ability of employees to locate housing within their means close to their place of employment. A second factor is the increase in employment opportunities being created elsewhere in the county and surrounding area that are near less expensive housing. This tool can include actions by individual employers, a group of employers, a partnership between an employer and a developer, or, perhaps, a partnership between employers and the City. A number of examples of employer assisted housing exist across the nation. They include:

- The provision of mortgage guarantees and rehabilitation financing for faculty and staff who purchase in a target neighborhood near the University of Pennsylvania' campus;
- Colgate Palmolive's provision of mortgage assistance to salaried workers employed six months or longer;
- Aspen Community Hospital's on site development of 12 units of housing for their personnel:
- Vail Resorts' provision of subordinate financing for the construction of 270 apartments in Edwards by a non-profit corporation and fee developer;
- Vail Resorts' co-venture with Corum Real Estate Group on the development of apartments near the entrance to Beaver Creek for 300 seasonal workers;

- Town of Vail's development of apartment units for bus drivers on the site of the town-owned bus storage facility.

The number of jobs in Boulder is estimated at approximately 88,500. Of the total number of jobs, 24% are categorized as lower wage service workers such as retail and service delivery workers (those employees with household incomes of less than $50,000) and 18% are considered entry-level professionals.

How many units currently?
No employer provided units are known of in Boulder, especially for the low wage service worker, entry level professionals, or essential employees. There may be some relocation assistance, but this tends to benefit the upper management level employee. The university provides housing assistance for some of its coaching staff and the president.

Who benefits directly or indirectly?
The direct benefit accrues to entry level professionals and service workers who would benefit from a housing situation within the city that better fits the household's financial capability. The employer would benefit by a somewhat more stable portion of his work force (given that housing is not the only factor affecting recruitment and retention of employees).

Indirect benefits would include a reduced need to commute for a portion of the work force and the community benefit of having an increased number of workers who are also residents of the community.

Option One: <u>Educating employers on housing assistance options.</u>

Option Description
Educating employers could be a service function provided by the City of Boulder involving research of employer assistance options and provision of information to employers individually or collectively on programs that have been developed elsewhere. No new units would be created directly by this option as it is primarily information sharing.

Actions Needed
- Dedicate staff time from the Department of Housing and Human Services - Housing Division for research of employer assisted housing programs nationwide.
- Set up a mechanism for cooperation and collaboration among the city, the Chamber of Commerce and other employers and employer groups.
- City staff would communicate program research findings with the Chamber of Commerce and other employer groups.

- Technical assistance from outside agencies, i.e. the Affordable Housing Institute of Rutgers who have developed expertise in employer assisted housing, could be invited to present pertinent program alternatives to employers.
- Create a system to track and share information about what is being done in area of Employer Assisted Housing in our region and nationwide.

Location

Because this alternative is primarily education, the location of housing would vary with the type of program available. The housing involved in this option could be either existing housing stock with a subsidy for affordability or new construction of units in the marketplace with permanent affordability or restricted sale covenants for affordability.

Cost

Primary cost is for:

- Staff to do research, coordinate the activity, organize workshops, produce education materials for employers, and do periodic updates - estimated at a minimum of 200 hours annually
- Advertising and outreach materials will need to be produced. The estimated minimum cost is $ 2,000.

Funding could be shared between employers and the City or could be a cost borne by the City alone or employers alone.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)

Departmental work plans for 1999 could be amended to include the staff work required by this option. Funding for production of written materials will need to be incorporated into the city's budget or come from a joint fundraising venture with employers and/or the Chamber.

Issues

- Employer assisted housing is dependent on entities other than the city. Production or acquisition is not guaranteed and employer receptiveness has not been tested.
- If employers focus on employee assistance that is used to acquire existing housing and not include programs that create new supplies of housing, the program may just stimulate demand and push housing prices (for the existing supply) even higher.

Option Two: Encourage employers to provide housing for employees.

Option Description

City staff, along with employers and owners of non-residential property, would study how public/private partnerships could produce new housing for employees. Research would focus on program prototypes and potential locations for housing in proximity to employment. The discussions should include major employers within the city, including the University of Colorado, and groups of smaller employers that may be able to participate in housing production collectively.

Actions Needed

- Research how employers might participate in creating housing for their employees.
- Educate employers as to what economic and other benefits could be achieved through housing development particularly in the same location as the work site.
- City staff would be proactive in changing regulations to accommodate housing in areas that are primarily oriented to employment (see Mixed Use tool).
- Facilitate discussions with neighboring property owners on proposed housing plans.
- Assist in creating partnership between employers and housing developers.

Location

Development of new housing created by employers for their employees is most likely to occur on sites that are in close proximity to work locations - commercial and industrial zones. Care should be taken to avoid sites that have uses which are not compatible with housing due to use of hazardous substances, generation of noise, or involve heavy truck or equipment traffic.

Cost

The cost to the city is for staff investigation and coordination with employers. Staff time would also be devoted to code modifications if needed.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)

The first steps in this option could begin in early 1999. Coordination and collaboration with employers individually and collectively would need to occur for a longer period of time in order to foster partnerships for housing production.

Issues

- Overall build-out numbers and population estimates may have to be revised as additional residential units will be in commercial/industrial areas.
- Consideration of an amendment to RGMS would be needed to allow permitting of a larger multi-family type project that may not meet the current distribution of affordability requirements or the limit on number of permits within a specific time period.
- The willingness of the landowner/employer to consider pursuing a mixed use development has not been investigated.
- The actual production of housing is dependent on the employer/land owner.

- This type of housing may not be suitable for all types of employees, especially families.
- The increase of the housing supply that this option could potentially create could benefit the housing market community wide.
- A rezoning of commercial/industrial land would allow increased utilization of land, particularly parcels that may not have permitted any additional commercial square footage.
- Commuting traffic could be reduced.

Option Three: Explore options for the City of Boulder's participation in the development of housing for essential City of Boulder employees (land, technical expertise, financing).

Option Description
The city would provide an example for employer assisted housing by investigating how the city might provide housing for some of its essential employees. Other communities have also offered down payment assistance to employees.

Actions Needed
- Determine what types of employees would be classified as "essential".
- Investigate the need for local housing within this category and the type of assistance that would be most appropriate.
- Research financing options and legal capability for providing assistance or producing this type of housing.

Location
An investigation of possible locations would identify those sites in close proximity to the work (or equipment) location for the essential employee - i.e. if snowplow operators were considered essential employees, a location close to the yards where equipment is stored would be considered. If assistance is provided for existing housing, the location would not necessarily be specified.

Cost
Exploring the options would require staff time from a number of city departments in order to identify essential employees, test legal issues, and investigate financing and partnership mechanisms. The actual assistance cost would be determined by the type of housing determined to be most appropriate for the essential employee. The funding source would be the city and could be included as a part of the benefits package offered to an employee. Should new construction be pursued, the funding could be a combination of public and private investment.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
The investigation of feasibility for employee housing for City of Boulder employees may involve staff time for a 6 to 12 month period. The production of new housing would probably take 2 to 3 years.

Issues

- Finding dollars within the city budget for this program
- Achieving public acceptance of who is an "essential employee".

Tool 9: Equity Pool Program

Description

Shared equity or equity pool programs offer prospective homeowners downpayment assistance plus a proportionate share of future equity. In simple terms, equity sharing is the way at least two parties - an owner-occupant and a non-resident owner (individual, employer, investment pool, city, etc.) - pool their funds to buy a property. The owner-occupant's percentage of ownership could range from 20 to 90 percent. An equity sharing program in Boulder would focus on providing more choices in housing for moderate (household income up to $50,000) to middle or upper middle income households (household income from $50,000 to $100,000). By offering more housing choices within Boulder, there would be greater opportunities to keep employees within the city.

Background

The idea of sharing equity in real estate has existed for some time. It is a financing technique that becomes more useful where housing costs are high. The City of Boulder tried a variation of equity sharing in the initial development of the downpayment assistance program. In that program, city funding provided downpayment assistance for moderate income first time homebuyers (less than 80% AMI - about $44,000) in exchange for receiving a proportionate share of their investment when the property was sold. The equity sharing focus of this program was converted to the requirement of a permanent affordability covenant when the focus of the city became building a pool of housing stock that would remain permanently affordable to lower and moderate income households. The resurrection of the equity sharing program allows inclusion of broader income categories than have been used before and the ability to pursue various funding sources. Funding for this program can come from private individual investors, a pool of investors, an employer, a community investment bank or the city.

How many units currently?

Do not know of any units utilizing this tool.

Who benefits directly or indirectly?

Directly: Moderate to middle income homebuyers (household incomes ranging from $50,000 to $100,000), entry level professionals, essential workers.

Option One: Develop city equity pool program.

Option Description

In this tool the city pays a proportionate share of the down payment to supplement the amount paid by the moderate income homebuyer. The homebuyer then receives a proportionate share of the accumulated equity within a specified timeframe. (7 to 10 years) This allows homebuyers future purchasing power through increasing equity, and the funds revolve for equity sharing with other purchasers. The dwelling unit does not necessary become permanently affordable, and investors in the pool would receive a return on their investment. Because this alternative involves only public funds, the city would typically structure in a pre-emptive right to purchase the home and thus maintain it as permanently affordable for resale or for rental.

Actions Needed

- Conduct market research to help define market interest and the level of subsidy that would be required.
- Define program parameters and adopt requirements for participation.
- Identify funding sources.
- Market program.

Location

Any existing or future residential neighborhood in Boulder would be able to use the equity sharing program.

Cost

The cost would vary, but is currently estimated at $50,000 to $100,000 per unit. Additional indirect costs for staff would be needed to administer the program. The investment would be repaid to the city unless the city purchases the home. Funding would come from public sources - CHAP, federal funds, new funding source - but, the amount does not represent a subsidy since the original investment plus return would be recouped based on housing market activity. A variation of the city funded program could allow the city an option to purchase the owner-occupant's equity and add the unit to the permanently affordable housing pool.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)

A significant amount of time, approximately one year, may be needed to conduct market research, find funding sources, and develop program parameters.

Issues

The future the supply of permanently affordable housing is not increased through this program. This may be an issue if the program is funded by the city. This tool allows the moderate income homebuyer future purchasing power so that they may be able to purchase a subsequent home within Boulder. The equity funds would continually revolve so the program could continue without large annual funding requirements.

Option Two: <u>Equity pool by private investor/ employer.</u>

Option Description
This tool would create a mechanism with private sector investors or employers to pair an equity partner with a moderate/middle income homebuyer. The equity required would vary with the households's income and the type of housing that is chosen. The private investor could be an employer helping an employee purchase a home. The program concept is not new as evidenced by the founders of The National Institute of Equity Sharing in California who have completed over 300 equity sharing arrangements since 1986.

Actions Needed
- Conduct market research to help define what is market interest and what level of subsidy would be required.
- Define program parameters and adopt requirements for participation.
- Identify funding sources.
- Market program.

Location
Any existing or future residential neighborhood in Boulder.

Cost
The cost of the program would vary with each property and equity partner requirements. The likely funding source/ partnership is a private investor. The investor recoups his original investment and a proportionate share of the equity within a specified period of time or when the house is sold or refinanced.

Timing: Short-term (6 months), Mid-term (18 months), Long-term (2 years)
A significant amount of time, approximately one year, may be needed to conduct market research, find funding sources, and develop program parameters.

Issues
There may be difficulty in identifying the potential investors. The program allows moderate income homebuyers some future purchasing power by allowing them to keep a portion of the equity. An equity sharing program could be implemented by employers and the amount loaned to the employee would continually be repaid to loan out to future workers. An equity sharing program does not contain the future cost of housing, but allows equity increases for homeowners to move up in the housing market.

Option Three: Community equity pool.

Option Description
Organize a community investment fund to provide a pool of money to be used for equity sharing for moderate to middle income homebuyers.

Actions Needed
- Conduct market research to help define what is market interest and what level of subsidy would be required.
- Define program parameters and adopt requirements for participation.
- Identify funding sources.
- Market program.

Location
Any existing or future residential neighborhood in Boulder.

Cost
City staff would probably have to devote time to setting up and supporting the community equity pool until it could be self-sufficient. Once the fund is operating, it has the potential to be self-sufficient.

Timing: Short-term (6 months), Mid-term (18 months), Long-term (2 years)
A significant amount of time, approximately 1.5 years, may be needed to conduct market research, find funding sources, and develop program parameters.

Issues
There may be difficulty in setting up the fund and identifying partners to participate as investors.

Tool 10: Existing Housing Unit Purchase and Rental Program

Description
Public funds would be used to subsidize the purchase of an existing housing unit in order to resell it at an affordable price to a targeted buyer or rent to a qualified renter.

Background
Other than two mobile home parks, the city has not entered into the purchase of housing units. Instead, it has provided assistance to non profit and private sector developers who have acquired housing for targeted populations.

Since 1996, the city has required that all units assisted through the Housing Fund Program remain affordable in perpetuity. This is achieved through the use of a covenant which is placed on the property at the time of sale. The Housing Fund includes the following resources: federal funds from Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME); local funds through the Community Housing Assistance Program (CHAP) and from pipeline projects. These latter are residential projects initiated prior to the adoption of the revised Residential Growth Management System (RGMS) which can contribute cash, also known as "cash-in-lieu", instead of affordable housing units.

How many units currently?
In 1997, there were 555 permanently affordable units in the city: 244 newly constructed and 311 existing units. An additional 130 units are anticipated with the next few years.

Who benefits directly or indirectly? Directly: Moderate income homebuyers (with household income between $35,000 and $45,000, or 60 to 80 percent of the area median income.)

Option One: City/ non-profit purchases existing housing units.

Option Description
The city/ nonprofit could purchase existing single family housing units, place covenants on the units that restrict their future sales price, and resell to targeted homebuyers at a discounted price.

Actions Needed
Council approval of a program allowing the city or a non profit to purchase and resell residential housing units. Funding would need to be identified.

Location
City-wide, dispersed.

Cost

Approximately $250,000 per unit (less for a condo or townhouse) public funding would be needed. A portion of the funds would be repaid when the unit is resold and could be reallocated to the purchase of other housing units.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)

Short-term: Program adopted by City Council; funding identified.
Long-term: Funding in place; unit(s) purchased; buyers identified.

Issues

- Under this program the city would recoup most of its investment relatively quickly when the unit sells.
- Need to do some market testing to ensure marketability of units with these covenants.
- Choice of available housing may limit buyer pool and funding source.
- The covenant placed on permanently affordable housing units can be a disincentive for purchasers for the following reasons:
  - The cost of certain improvements to the house or property as defined in the covenant may not be able to be recouped by the purchaser at the time of sale.
  - The return on the buyer's initial equity investment is limited to cost of living increases and thus the buyer could have difficulty in being able to "move up" into a market rate home.
- Issue of whether the program should be limited to first time homebuyers or to moderate or high moderate income employees who live outside city but desire to locate to Boulder. (up to $68,000 household income for high moderate, or 80 to 120 percent of average median income)

Option Two: <u>City/ non-profit purchases small, existing housing units, and restricts any future increases in size.</u>

Option Description

The city/non-profit could purchase existing small housing units, restrict any future expansion potential through a covenant, and re-sell the unit to a targeted buyer.

Actions Needed

Council approval of proposed program; funding source identified.

Location

City-wide, dispersed.

Cost

Approximately $250,000 per unit (less for a condo or townhouse) public funding would be needed. A portion of the funds would be repaid when the unit is resold and could be reallocated to purchase another housing unit.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)

Short-term: Program adopted by City Council; funding identified.
Long-term: Funding in place; unit(s) purchased; buyers identified.

Issues

- Information needed about the marketability of properties with a covenant that would not allow any future size expansion to meet growing family demands.
- Choice of available housing may limit buyer pool and funding source.
- Issue of whether the program should be limited to first time homebuyers or to moderate or high moderate income employees who live outside city but desire to locate to Boulder (up to $68,000 household income for high moderate, or 80 to 120 percent of area median income).

Option Three: Expand the acquisition of permanently affordable units by funding City/non-profit/for profit purchase of existing rental units and conversion to permanently affordable units.

Option Description

Currently, the city allocates local and federal funds for the acquisition and construction of affordable units. Units that are acquired or built with these funds become permanently affordable through a deed restriction. Funds are allocated once a year on a competitive basis. Both not-for-profit and for-profit groups are eligible to receive these funds. This tool proposes that these resources continue to be targeted to low income people and that new sources of additional funds be sought to expand these programs. The programs are:

Existing programs:
Grant funds:

- Community Housing Assistance Program (CHAP): local fund source from property tax and tax on new development.
- Community Development block Grant (CDBG) and HOME funds - federal sources allocated to housing.

City run programs:

- Mobile Home Rehabilitation - grants up to $5,500 to correct housing code and life safety problems.
- Rehabilitation Loan Program - low interest loans of up to $15,000 are provided to single family homeowners for a term of 30 years to allow the homeowner to remain in their home under decent and safe conditions.
- First Home - down payment assistance program.

Actions Needed

Continue to target grants for acquisition of rental units to become permanently affordable. Review by the Funding Task Force for additional sources of funds to expand this program.

Location

Units to be dispersed throughout city.

Cost

An average subsidy of $15,000 to $20,000 per unit has been needed historically. For each additional $500,000 in revenue gained, 23-25 additional units could be acquired.

Timing: Short-term (six months), mid-term(18 months), long-term (2 years)

Short-term: Continue to fund acquisition activities with current funds; direction from council to proceed; review by the Funding Task Force.

Mid-term: New funding source in place, additional grants awarded through current allocation system.

Issues

- High cost of existing units in the community.
- Risk of displacing current residents.
- Feasibility of finding additional revenue sources.

Option Four: <u>Grants made to private owners of multifamily or single family homes for rehabilitation in return for unit or some portion being held permanently affordable.</u>

Option Description

Owners of apartment units seeking to rehabilitate their rental units may be interested in receiving a grant from the city to perform the rehabilitation work. In return, some portion of the units could be held permanently affordable through a covenant.

Owners of single family homes who need funds to maintain or rehabilitate their homes, may be interested in receiving a grant in return for placing a covenant on their home to restrict either increases in size (as noted in Option Two) or to restrict the future sales price, so that the unit remains affordable to low or moderate income households.

Actions Needed

Funds currently available through local and federal sources could be used for this program, or additional funds could be sought by the Funding Task Force. Outreach and marketing efforts would be needed to inform private property owners of the availability of funds.

Location

This program would result in diverse inventory of permanently affordable units that are widely dispersed.

Cost

Based on past experience with the city's current Rehabilitation Loan Program, grant of between $5,000 and $15,000 per unit may be required.

Timing: Short-term (six months), mid-term (18 months), long-term (2 years)

Short-term: A series of discussions with landlords could be held to investigate level of interest in such a program. In order to begin to test interest in the single family concept, there should be a discussion with the Boulder County Housing Counselor, who now receives inquiries about bank programs that perform a similar function, known as a reverse mortgage.

Mid-term: In the short and mid-term, fund sources should be explored.

Issues

- Private landlords and homeowners may not be willing to agree to permanent affordability; many private landlords have received local and federal dollars in return for some term of affordability, usually 15 to 30 years.
- Current funds would have to be redirected to this program or new fund sources found.

Tool 11: Fee / Tax Waiver of Development Fees for Affordable Projects

Description

The city would grant partial or full waivers of fees for permanently affordable housing development. All new construction projects are required to obtain various permits and review approvals. The city charges a variety of application fees, permit fees and fees for city services such as police, parks, water taps and sewer connections. Decreasing or eliminating some or all development fees provides a financial incentive to a developer build an affordable product by decreasing up-front costs, which can ultimately mean a less expensive finished product to buyers or renters in low or moderate income groups. Fees that may be waived include water/sewer taps, building permits, plan review, and any fees that fund the housing program.

Background

Currently, only projects built by the Housing Authority of the City of Boulder are eligible to have some fees waived. This can only occur when the Housing Authority acts as a general contractor and then only some fees can be waived. In the past ten years, there have been very few Housing Authority projects that have been able to waive fees. Other non-profits are not eligible for waivers or reductions.

How many units currently?

Only 14 units in the Poplar Project (housing excise taxes waived) have received tax waivers.

Who benefits directly/ indirectly?

Any group seeking a lower cost housing unit (either renters or buyers) could benefit from the decreased up-front costs.

Option One : Waive, reduce or defer development fees for affordable projects.

Option Description

The city can encourage affordable housing by waiving some or all of these kinds of fees for developments that include a significant percentage of affordable housing. These fees can be waived only for units that are directly subsidized or could be waived for entire projects if the private developers agree to make a defined percentage permanently affordable. Reducing or deferring fees should be considered as well.

According to a 1995 housing report, total per unit charges associated with sample affordable housing units ranged from nearly $7,000 per unit to over $10,000 per unit. The amount of money that could be saved with tax and fee waivers varied from roughly $130 to $7,000 per unit depending on which fees or taxes would be waived. The Development Excise Tax Ballot Issue recently passed by Boulder voters exempts affordable housing from this tax. Excise taxes made up approximately 20% of the fees and taxes outlined in the 1995 report (not including school excise tax).

Actions Needed
Staff would need to assess non-DET fees to determine which, if any, would be appropriate to waive for affordable housing. New policies would need to be developed to address fee waiver and if fees/taxes would be waived for whole projects that contained some affordable units or only for the affordable units.

Staff would need to define the parameters to allow other non-profit housing providers to receive current fee/tax waivers.

To assess the financial impact on city programs, the number of units each year on which fees would be waived would need to be estimated and an estimate of the total dollar value of the waivers by type of fee/tax would need to be generated. Staff would then analyze the impacts of waivers on other city departments and determine if there are other venues to regain lost revenues.

Location
Throughout the city.

Cost
This would need to be studied with further information regarding the fees to be waived and the potential number of units that would be eligible for the waiver.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)

Short-term (6 months):	Staff work to study possibilities and ramifications.
•	Develop policy changes.
Mid-term (18 months):	Review policy changes with Planning Board
•	Bring ordinance to City Council

Issues
Fees collected are used to provide actual services so revenue lost from waivers would need to be made up elsewhere.

Examples
Fort Collins is reviewing an option to provide developers with a five year loan at a rate of prime plus two points to extend the payment period of fees and provide flexibility with up front costs. Various communities have found that fee waivers act as a disincentive when determined on a case-by-case basis due to time delays and uncertainty if a project qualifies. Automatic fee waivers for projects that propose a certain percentage of affordable units function better (Santa Cruz and Santa Barbara, CA).

Tool 12: Inclusionary Zoning

Description

As used in this paper, inclusionary zoning is a citywide regulation that requires a percent of housing units in all new residential developments with more than a specified number of total units, to be sold or rented to lower or moderate income households at an affordable price. Obtaining building permits is contingent on the developer's agreement to provide affordable housing, or in some cases, to make a payment in lieu of actual construction of a unit.

Background

Inclusionary zoning programs have been a part of many California city's affordable housing programs through the 1980's and 90's. In California, it is coupled with a state-mandated density bonus for affordable housing. A summary of the 75 California programs, taken from a recent American Planning Association journal article, is included at the end of this tool description.

As another approach to accomplish the same objectives, it is helpful to think of inclusionary zoning as a possible replacement to the Residential Growth Management System and as possibly paired with a residential density bonus or similar incentive, as well.

Boulder has had some experience with inclusionary zoning. In the late 1970's and through the 1980's, the Moderate Income Housing Program (MIHP) required that developers of four or more units provide 20% of the units as affordable to the moderate income. The affordable unit(s) could be built elsewhere or a payment in lieu of construction could be made. The MIHP was not ultimately successful for a variety of reasons including the looseness of the requirements, monitoring problems and falling prices for the attached units which were the primary housing type produced. It was replaced by the Community Housing Assistance Program (CHAP). Should a decision be made to look again at inclusionary zoning, the MIHP and California programs should be studied for ways to avoid past mistakes and to design the best possible program.

How many units currently?

There are approximately 40 units remaining from the MIHP. Covenants restricting the sales price or rental fee are in place today.

Who benefits directly or indirectly?

The primary direct beneficiary is the person or family who buys or rents the unit initially, and then future buyers or renters. Over time, the community will benefit from having a pool of affordable housing for those who live in Boulder. An inclusionary zoning ordinance may be designed to benefit very low, low or moderate income populations or special needs populations.

Option One: <u>Adopt an inclusionary zoning ordinance.</u>

Option Description

The decision to adopt an inclusionary zoning ordinance is tied to changes to the RGMS. At present, the Growth Management System, as well as annexation policy, are our method of securing some affordable housing. Any consideration of this option should be made in tandem with RGMS revisions. It may be possible to devise an ordinance that achieves the goal of affordable housing in a less cumbersome, more direct way than through an ordinance whose primary purpose is to control the rate of growth.

Actions Needed

The design of a new housing regulation for Boulder will involve decisions in the following areas:

- minimum project size (often single lot projects are exempt);
- The percent of affordable units required (California cities range from 10 percent to 25 percent);
- The target population (very low, low, moderate income or some combination);
- An in-lieu fee (should be enough to allow the public agency to write down the cost of a housing unit, making it permanently affordable); and
- The terms of affordability (California cities range from 20 years to permanent).

Each decision should be based on the logic of our housing goals and an assessment of the housing market.

The most successful inclusionary housing programs have a density bonus component. For example, zoning may allow three units. If one unit is affordable, four units can be built. Aspen's housing program is a version of this type. Some exploration of a density bonus tool should be undertaken, if inclusionary zoning is pursued.

How many units in the future?

The number of future affordable units depends on the type of program adopted. In theory, if there are about 3,650 units remaining to be built in Boulder, up to 25% of them could be affordable through the implementation of an inclusionary housing program.

Location

The units would be wherever new development or redevelopment was occurring.

Cost

The development of a program of this sort will take a good deal of effort. A serious assessment of the market and legal factors involved is necessary. There are many programs to look at and borrow from, as well as Boulder's own experience to learn from. If the RGMS is revised so finding a new method to secure affordable housing is needed, inclusionary zoning is a promising approach.

At a minimum, an economist and a housing market specialist should be hired to assure that fees, bonuses and restrictions are set correctly. A minimum of $50,000 should be set aside for this purpose. The public sector would pay the cost.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)

Short-term or mid-term to adopt an ordinance.

Issues

- There are valid arguments that this sort of program simply moves the cost of the subsidized units to the market rate units, upping their price and consequently making them less affordable.
- The development of the Community Housing Assistance Program (CHAP) was in some respects predicated on the removal of the MIHP, the city's last attempt at inclusionary housing.

TABLE 1. Inclusionary housing programs in the State of California

City/County	Year Adopted/ Updated	Mandatory/ Voluntary	Minimum Project Size	% Units Required	Target Population	In Lieu Fee	Number of Units Produced	Terms of Affordability
Agoura Hills	1987	M	10	15	L/M	No	50	15 years
Auburn	1993	V	5	10–15	L/M	Yes	NR	NR
Avalon	1983	M	4	20	L/M	No	135	Permanent
Berkeley	1986/87	M	5	20	L	No	42	30 years; SF; 59 years MF
Brea	1993	M	20	10	VL/L/M	Yes	5	30 years
Brisbane	1985/94	V	10	15	L/M	No	0	None
Burbank	1985	V	NR	NR	NR	No	128	NR
Calistoga	1989/95	M	5	20	L/M	Yes	48	Permanent
Carlsbad	1991/93	M	7	15	VL/L	Yes	344	Permanent
Carpenteria	1986	V	10	15–20	VL/L/M	Yes	20	None
Chowchilla	1992	V	NR	NR	NR	NR	0	NR
Chula Vista	1991	V	50	10	L/M	No	521	"Maximize"
Clayton	1993	M	10	10	VL/L	No	0	NR
Coronado	1982/93	M	2	20	VL/L/M	Yes	11	30 years
Corte Madera	1978	M	10	15	L/M	Yes	32	Permanent
Cotati	1985/90	M	5	15	L/M	Yes	20	10 years
Cupertino	1993	M	4	10	VL/L/M	Yes*	43	30 years
Danville	1991/95	M	8	13 units < 10%; 14 units > 15%	M	Yes	66	20 years minimum
Davis	1987/92	M	5	25–35	VL/L/M	Yes	471	None SF, Permanent MF
Del Mar	1981/93	M	10	10–66% Section 8	VL/L	Yes	0	30 years
East Palo Alto	1994	M	1	20 L & VL	VL/L	Yes	0	30 years
Encinitas	1990	M	10	10 Rental only	VL/L	Yes	20	None
Fairfax	1986/90	V	10	Densities < 6u/a:10 Densities > 6u/a:15	L/M	Yes	0	Resale controls set by MCHA
Hesperia	1992	V	1	10	VL/L	Yes	0	30 years
Irvine	1984/89	M	1	25	M	Yes	4469	30 years
Laguna Beach	1982/90	V	3	25	VL/L/M	Yes	310	10 years
Larkspur	1990/90	M	10	Density < 7u/a:10	L/M	Yes	139	Permanent
Livermore	1978	M	10	10	VL/L/M	Yes	1212	30 years
Lompoc	1992	M	10	10	VL/L/M	NR	30	NR
Long Beach	1992	V	10	5–10	VL/L	Yes	NR	10–30 years
Los Gatos	1976/86	M	5	See footnote A	M	Yes	20	Permanent

TABLE 1. Continued

City/County	Year Adopted/ Updated	Mandatory/ Voluntary	Minimum Project Size	% Units Required	Target Population	In Lieu Fee	Number of Units Produced	Terms of Affordability
Marin County	1980/95	M	10	15	VL/L/M	Yes	37	30 years
Menlo Park	1986	M	10	10	L/M	Yes	16	55 years
Merced County	1992	V	NR	NR	VL/L/M	No	131	None
Mill Valley	1985	M	2	10–15	VL/M	No	74	Permanent
Monterey County	1979/85	M	7	15	L/M	Yes	454	30 years SF, Permanent MF
Monterey	1981/89	M	10	15	M	Yes	242	Permanent
Morgan Hill	1979/92	V	2	10–15	VL/L/M;	Yes	287	30 years sale, 20 years rental
Napa County	1992	M	1	10	VL/L/M	Yes	0	40 years
Oceanside	1991	M	3	10	L/M	Yes	0	30 years
Ojai	1991	V	5	20% LR; 10% VL	VL/L/Seniors	No	21	30 years
Orange County	1979/90	V/M	4	25	L/M	No	7341	None SF, Permanent MF
Palo Alto	1974/90	M	3	10	VL/L/M	Yes	197	59 years
Petaluma	1984/90	M	5	10 to 15	VL/L/M	Yes	519	SF: as long as possible; MF: Permanent
Placer County	1992	V	SF:100/MF:4	SF 10% L; MF 50% L/M	VL/L/M	Yes	0	20 years
Pleasanton	1988/93	V	1	25	L	Yes	932	25 years
Portola Valley	1992	M	7	15	VL/L/M	Yes	0	Permanent
Richmond	1991/93	V	10	15%L; 10%VL	VL/L/M	Yes	0	10 years
Roseville	1988	V	4	10%, Emph. on rental	VL/L/M	Yes	910	Determined in development agreement
Salinas	1991	M	10	12	VL/L	No	202	30 years
San Anselmo	1988	M	10	10	L/M	Yes	2	30 + 30 option
San Benito County	1988	V	NR	NR	NR	Yes	0	NR
San Buenaventura	1987	V	8	20	VL/L/M		0	30 years
San Carlos	1991/93	M	10	10	L/M	Yes	0	None
San Clemente	1980/89	V	10	15	VL/L/M	Yes	352	20 years
San Leandro	1983	M	20	10	L/M	Yes	377	20 years
San Luis Obispo	1993/94	V	50	<50 Units: 5%; 50 Units or more?	VL/L/M	No	0	50 years; Permanent if subsidies used

San Mateo	1992	M	11	10 MF only	L/M	Yes+	6	30 years
San Rafael	1981/92	M	10	10	VL/L/M	Yes	301	40 years
Santa Barbara County	1985/93	M	5	See footnote B	VL/L/M	Yes	1312	30 years
Santa Clara County	1979/94	V	10	10	L/M	NR	0	NR
Santa Cruz County	1979/93	M	5	15	VL/L/M	Yes	1238	Permanent
Santa Cruz	1985	M	5	15	VL/L	Yes	110	Permanent
Santa Monica	1990/92	M	2	30	L/M	Yes	377	Permanent
Santa Rosa	1992/93	M	1	15-20	L	Yes	20	30 years
Solana Beach	1995	M	4	10	VL/L	Yes	0	30 years
Sonoma	1995	M	5	10	M	No	0	30 years
Sunnyvale	1980/91	M	1	10	VL/L/M	Yes	740	20 years
Tiburon	1984/92	M	10	10	L/M	Yes	43	Permanent
Truckee	1996	M	See footnote C	10-20	VL/L/M	No	0	NR
Vista	1985	M	1	6	VL/L	Yes	0	Permanent
Watsonville	1991	M	8	25	VL/L/M	Yes	2	Permanent
West Hollywood	1986/90	M	1	10-20	L/M	Yes	53	Permanent
Winters	1994	M	1	15	VL/L/M	No	0	55 years
Woodland	1993	V	10	10-25	VL/L	No	0	40 years
Yolo County	1992	M	1	10-25	VL/L/M	Yes	0	SF recapture mechanism; MF permanent

Total Number of Units Produced: 24,432
A: 50 to 20 units: 10%; 20–100 units, use formula (.225 total # of units); 100+ units, 20%.
B: 20% @ 110% of median or 15% @ 90% of median or 10% @ 75% of median or 5% @ 50% of median
C: Relates to acreage of specific plan
*: only for 4-to-9-unit developments
+: only for 1-to-11-unit developments
VL (Very Low): Incomes at or below 50% of median
L (Low): Incomes between 50 and 80% of median
M (Moderate): Incomes between 80 and 120% of median

Tool 13: Land Trust/Land Banking

Description

Land banking refers to the purchase of land by the city or a non-profit to be developed at some point in the future for affordable housing.

A Community Land Trust (CLT) is a type of non-profit housing organization where the trust owns the land in perpetuity. The land is then leased to residents who may own homes or other improvements on the leased land, but their ownership is subject to restrictions on use and resale that keep the units permanently affordable. CLT's, cooperative housing and mutual housing associations all share the same basic principles to preserve affordability on a permanent basis and provide for some form of resident or community control.

The supply of residential land has a direct impact on the cost of housing. Increasing the supply of land and/or reducing the price of land can have a positive impact on the cost of housing. This tool addresses both land banking or land purchased by the city or a non-profit, as well as Community Land Trusts where the ownership of the land is held in perpetuity separate from the ownership of the improvements.

Background

The city has provided funding from its Community Development Block Grant fund for several 'land bank' projects since the 1980's. These projects, where the land was purchased in anticipation of a future affordable housing project include: Bridgewalk, Foothills, Mary Sandoe House and Sage Court.

Who benefits directly or indirectly?

This tool would benefit the following groups:

- Low income wage earners;
- Families;
- Special needs households;
- Entry level professionals;
- Essential employees; and
- Seniors.

Option One: <u>Expand Land Banking Activity.</u>

Option Description

Purchase of land now by the city or non-profit for the development of affordable housing projects in the future.

Actions Needed
Identification and purchase of parcels of land suitable for medium density or mixed use development; identification of funds. Expansion of the service area may be required to identify possible affordable parcels.

Location
Area II, city limits.

Cost
The total cost for this tool is undetermined. Funding would initially come from public sources. Once land is purchased, partnership with the private sector may be developed to construct the housing. Purchase of land for affordable housing projects in the future will increase the supply of housing in the future; land availability will determine the number of units.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
Long-term.

Issues
Land values have historically increased in Boulder over time. Purchasing land located in the future service area now for future development makes development more affordable. Land banking also assists in the coordination of future, desirable land use patterns. Land banked sites may create the misperception that they are "open space".

Option Two: Expand the Community Land Trust model

Description
The Community Land Trust (CLT) model is a means of achieving a number of long term housing goals. CLT's are distinguished from other non-profit housing organizations both in the way that they: treat the ownership of land and housing and in the way that they are structured and controlled. The approach to *ownership* involves permanent CLT ownership of land, which is leased to residents. Residents may own homes or other improvements on the leased land, but their ownership is subject to restrictions on use and resale that are stated in the ground lease. The *organizational structure* of the CLT involves an open membership on the CLT's Board of Directors. Open membership requires that the board be comprised of residents, non residents and representation from the community at large. The CLT model provides a mechanism to ensure the *permanent affordability* of housing units.

Background
Community land trusts (CLT's) have been used as a tool to address the housing needs of lower income households for over two decades. Most CLT's are located in the eastern part of the country. The city has supported two land trust models in the city: Poplar and Buena Vista. The Buena Vista project will come on line in 1999.

How many units currently?
There are currently 14 land trust units in the Poplar Project. Thistle's Buena Vista project will add another 48 units.

Who benefits directly or indirectly?
This tool would benefit low income families, entry level professionals, and essential employees.

Actions Needed
Identification and purchase of parcels of land suitable for multifamily or mixed use development.

How many units in the future?
This tool should increase the supply of housing units in the future, as new projects are developed.

Location
The tool would likely be implemented where land parcels are, i.e., North Boulder and Areas II/III. The difficult part is the identification of affordable land parcels. The organizational structure of a CLT would not be difficult once funding sources and private partnerships are identified.

Cost
Land prices are undetermined; funding would come initially from public sources, i.e. federal, state or local. Partnerships with the private sector should be developed; non-profit to take the lead on the CLT.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
Long-term

Issues
The price of land; identification of suitable sites that meet the goals of the Boulder Valley Comprehensive Plan.

The ability to preserve affordability over a long period of time is a unique feature of the CLT. The preservation of affordability is accomplished through two methods: a resale formula and a ground lease. The resale formula, also referred to as an equity limitation formula, provides parameters within which a homeowner on CLT land can sell their home. The primary goal of the resale formula is to balance the competing interests of a fair return for the current owner with fair access to housing for future owners. While the resale formula may decrease the amount of equity the CLT homeowner realizes, the homeowner also incurs lower monthly housing costs because they are only buying the house and not the land.

Tool 14: Linkage Program for Non-Residential Development

Description

This tool would require all new nonresidential development to provide either a certain amount of actual housing units, either on or off-site, or pay a fee in lieu of providing such housing that would go toward building or acquiring worker housing. The amount and type of housing required could be based upon the type of employment and wages to be provided by the new development. The requirement could also be triggered by changes in use. This is the nonresidential counterpart to the similar program for residential development, inclusionary zoning, Tool 12.

Background

Boulder currently charges a Housing Excise Tax (HET) on all new nonresidential development of $0.34 per square foot. Together with the HET on residential development, approximately $200,000 per year is collected and used in the Community Housing Assistance Program (CHAP) to subsidize the construction, acquisition and rehabilitation of permanently affordable housing. The recent ballot measure increased the HET by approximately $0.02 for the next seven years.

A non-residential linkage program is not commonly used. It is typically found in cities with strong office markets where housing within the city is lacking or in more isolated resort communities where the supply of housing for service workers is severely lacking.

How many units currently?

During the period 1992 through 1997, the city has collected an average total amount of housing excise taxes of $167,000 a year from commercial properties. Assuming 11% for administration and $25,000 of subsidy for an affordable housing unit, this is equivalent to just less than 6 units a year.

Who benefits directly or indirectly?

Boulder's workers would benefit. Unless the units created were directed toward Boulder workers or employees of particular Boulder firms, the units would be generally available in the community to renters or owners at particular income levels.

Option One: <u>Adopt a linkage program for non-residential development.</u>

Option Description

See above. In order to establish a nonresidential linkage program a study to determine the relationship between the development of nonresidential building square footage and the need for affordable housing would be required. A program based on the findings would require a certain number of affordable housing units per amount of nonresidential building be built on- or off-site, or a cash-in-lieu fee paid.

Actions Needed
First, a study to demonstrate the linkage between nonresidential development and the need for affordable housing would have to developed. This would address the employment generated by nonresidential development, the typical wages paid and the associated need for affordable housing. Much of this information is already available - additional primary research would not be necessary. An ordinance requiring the linkage would have to be passed by City Council after a recommendation from Planning Board.

Location
This tool could spur housing in industrial and commercial areas as well as encouraging more mixed use projects.

Cost
The initial cost is the cost of staff time and the study to create and implement the program. A good nexus study with legal opinions would probably cost around $20,000. The major cost would be ultimately for the construction of the affordable units which would be required by a linkage program. This cost would be paid by the developer of nonresidential square footage if the building is speculative, or the owner if the project is build-to-suit or self-financed by a company.

Timing:

Short-term (6 months):	Prepare linkage study.
Mid-term (18 months):	Determine linkage formulas. Develop draft ordinance. Review with Planning Board. City Council ordinance.
Long term (2 years):	Actual units developed or fees collected.

Issues
This approach provides a direct link between a significant generator of demand for affordable housing and the housing itself. It could also generate more interest in residential development in underutilized industrial and commercial area.

It would represent an additional burden on nonresidential developers. It is relatively difficult to obtain financing for mixed-use projects and it would be a very staff intensive program to develop.

Companies seem to prefer programs that result in a direct benefit to their own employees rather than simply contribute funds to a broader program.

Many industrial, retail and office developers do not have necessary expertise in housing development.

It is often not practical for small businesses to produce housing units given their incomes and capacity; projects under 10,000 square feet are often exempt or pay in-lieu housing impact fees.

On-site versus off-site issues arise; businesses generally only have the resources to develop on-site yet certain commercial/industrial uses are not compatible with residential use and on-site development may not contribute to the creation of desirable neighborhoods.

The type of commercial development that is occurring or planned greatly impacts the feasibility of a program; in resorts where condominiums are a part of the economic infrastructure, requiring that a portion of the units be occupied by local residents is largely workable.

Some communities have abandoned their commercial linkage programs because other growth limitations on commercial developed have negated the program's effectiveness (Santa Barbara & San Francisco, CA).

Communities must establish a nexus; difficulty in establishing this tie has caused resistance to this tool in some areas (Madison, WI).

Tool 15: Mixed Use - Commercial and Industrial

Description

The purpose of promoting mixed use development is to encourage good community planning and housing affordability. This tool refers to developments that incorporate housing into commercial or industrial projects. Mixed use projects begin with a plan that physically and functionally attempts to integrate the uses. In well-designed mixed use projects, there are pedestrian connections between the uses.

Given this definition, mixed use developments can occur in a single building, or as a complex of closely associated buildings on a site or on adjacent properties. Mixed use is a desirable urban development type primarily because it improves access to goods and services for residents, which in turn may reduce automobile use. When well done, the physical environment and the sense of community are enhanced for residents, and affordable high density housing may also be provided.

Background

Boulder's historic downtown was built as a mostly two story, mixed use center --- shopping on the first floor with housing above. In more recent times, the city has supported mixed use projects such as Canyon Center and Whittier Square. Boulder's business zones typically allow housing as a use by right. In 1985, Boulder was one of the first cities in the nation to enact a mixed use zone with specific incentives for mixing housing with commercial uses in a single development. And in September 1997, a whole new selection of mixed use and main street zones were added to the Land Use Regulations.

There are two primary constraints to building mixed use projects. Mixed use development is still new territory for many developers, planners and lenders. At this point in time in Boulder, a track record is beginning to be established, but good prototypes are few. Mixed use by its very nature is more complicated. Every aspect of the project -- market analysis, feasibility study, financial planning, loan acquisition, design, city approval, construction, selling and property management -- becomes increasingly complex.

The first constraint leads logically to the second constraint: the difficulty of securing financing, particularly combining residential with retail and office uses in a single building. This may become a lower hurdle as more are built, but it remains a concern of Boulder developers interested in this housing type.

Into this mix is added Boulder's Residential Growth Management System (RGMS) and the community's desire to secure some affordable housing as a part of each project. For a mixed use project which includes market rate units only, a developer must stand in line for building permit allocations. The time delay may slow the entire project, or may influence a decision against building the project with housing. For a mixed use project attempting to include affordable housing, the negotiation for the affordable unit takes place at a point when the financing generally is under discussion and another complicating factor and uncertainty is added to the mix.

How many units currently?
There are between 400 and 600 residential units that could be considered part of a mixed use project. This includes older projects, such as Canyon Center, Whittier Square, 1515 Spruce and Willow Springs, as well as newer projects such as East End. There is a flurry of building activity in the new main street zone on west Pearl and in the mixed use zone on east Pearl. Another 30 or so units are under construction.

Who benefits directly or indirectly?
Mixed use is a housing type that may benefit anyone for whom being close to services is an advantage. In Boulder's case, we have located all of the new mixed use and main street zones on or near transit lines as well. Mixed use would be attractive to those who prefer little or no yard and landscaping to maintain. The housing type could work well for downsizers, seniors, entry level professionals and many others depending on the design of the project.

Option One: <u>Organize a workshop on mixed use development to better how the city can encourage and support this type of development.</u>

This option is proposed in order to have a working session with those designers, builders and bankers in the community that have attempted to build or finance mixed use projects or those who have an interest in this land use type. Many recent changes to the land use regulation encourage this type of use, but developers report that there are still zoning and financial impediments. The city needs to explore if there is more that can be done to stimulate more mixed use development.

Actions needed
Once the Housing Strategy is accepted, the planning for the workshop should begin. There may by federal officials or national experts that should be a part of the program. Tangible results from the workshop will be important.

Location
The location of the workshop hasn't been determined.

Cost
The cost for the workshop should be minimal.

Timing
The workshop should be organized in the first half of 1998. The results may inform other options.

Option Two: <u>Modify the Residential Growth Management System (RGMS) to exempt mixed use projects or to allow options to receive all need allocations within an allocation period</u>.

This option is tied to a larger consideration of residential growth management that will be a part of the affordable housing strategy. Regardless of other changes, the wait for residential building permits creates a serious disincentive to those developers wishing to build this housing type. If we wish to encourage this type of housing, a provision should be made to allocate building permits in a predictable way.

Actions Needed
A consideration of the special needs of mixed use projects should be a part of the planned revisions to RGMS.

Location
The lion's share of the projected mixed use units are in North Boulder, the downtown area and Boulder Junction.

Cost
There is no cost other than the staff time needed to amend the ordinance.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
Amendments to the RGMS are under discussion at this time. A proposal is expected as a part of the Housing Strategy.

Issues
The primary issue is the need to balance the desire to support a positive and innovative Boulder housing type with many spin-off benefits against the concern that every new project contribute to affordable housing in the community. The present RGMS allows a developer with existing units to demolish to avoid participating in an affordable housing program at all. For a developer who wants or needs to build solely market rate units, there is no option but to wait for allocations which could take years. This is a disincentive to going forward with a mixed use concept.

This option is linked both to the larger discussion about changes to RGMS and to the discussion about inclusionary zoning. If fundamental changes are not made to RGMS, a discussion about the special case of mixed use projects should be had.

Requiring equal participation in affordable housing acquisition and allowing a payment-in-lieu of affordable housing construction can probably best be accomplished with a new ordinance focused on the provision of affordable housing -- not tangled up with regulating the pace of growth.

Option Three: Revise the Community and Transitional Business zones (CB and TB) to promote mixed use development.

Actions Needed

During 1997, a number of revisions to the city's existing zoning regulations were made in order to encourage housing as a component of commercial and industrial development. At the time, no changes were made to the community business zones (the zoning category used for most of the city's shopping centers), and no changes affecting housing were made to the transitional business zones. This option suggests looking at those zones and proposing incentives for including housing as a part of development or redevelopment.

Location

The CB and TB zones are located throughout the city, typically on arterial streets and on major street intersections.

Cost

Other than staff time, costs should be minimal. The discussion about changes should involve area property owners. The outcome of the discussions will determine the ease of making the changes. As now conceived, any change to the zones would be as an incentive (for example, reduced parking and open space requirements for housing), and so the changes are likely to receive support.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)

If this is a priority, these changes could be proposed within six months.

Issues

As a result of adding housing incentives to these zones, more housing units may built than accounted for in the Data Sourcebook and subsequent revisions.

Option Four: Identify existing CB and TB zoned centers and corridors, and develop mixed use prototype.

Actions Needed

The discussion would be about the intensification of existing centers and the wisdom of looking at broadening the uses in retail centers and along transportation corridors. As a part of this work and to enable a serious consideration, a design for the modification of an existing center is proposed to be done. Involvement of the Housing Authority would be appropriate.

Location
The project would focus primarily on the CB and TB zones which are located throughout the city. Dependent on location along transit lines or adjacent to centers, it is possible that sites with other zoning would be considered.

Cost
The project would require an outside design consultant. However, most work on the project would be done by city staff. There may be property owner or Housing Authority interest in co-sharing the cost of preliminary design and site plan work. There may also be grant money available for the development of the design prototype. As the project develops, a funding partner would be sought. The cost of the design prototype would be paid by the city unless a private sector partner is found.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
This project could take up to 18 months.

Issues
The primary issue is probably one of Planning Board and City Council priority. Planning staff time is limited and the project could be a time-consuming one for key planning staff.

Tool 16 : Mobile Home Parks

Description
Boulder's mobile home parks have long been seen as a valuable part of our housing stock. They provide a way for low or moderate income people to own their own home, typically at a lower price than other single family options. This tool looks at ways to secure existing parks as permanently affordable, with the possibility of land ownership for mobile home residents. New or expanded site for mobile home parks are also suggested.

Background
In 1985, Boulder passed the first mobile home zoning in the state. At the time, there was a legitimate concern that existing mobile home parks would be redeveloped at the medium or high density that was allowed by their underlying zoning. Rezoning existing parks so that mobile homes were the only allowed residential use assured that this redevelopment (and displacement of residents) could not easily occur.

In recent years, there have been conflicts between the owners of the parks and there prerogative to make park rules, and the mobile homeowners who feel that their rights are constrained. Also, there are a few older mobile home parks adjacent to the city that should be annexed and updated, but the costs are prohibitive.

Two parks, Branding Iron and Mapleton, have been purchased by the City in the last five years. Both were purchased as part of the city's plan to make future flood channel improvements as Goose Creek crosses the parks. It is anticipated that residents of the Branding Iron park will be relocated into Mapleton or elsewhere by the end of 1999. Ownership of Mapleton Park will be evaluated after flood channel improvements are completed, but resident ownership is likely.

Additionally, Boulder Mobile Manor is owned by the Housing Authority.

How many units currently?
There are approximately 1,300 mobile home units in the city, or immediately adjacent to the city boundary.

Who benefits directly or indirectly?
The primary beneficiary of actions to acquire existing parks are mobile homeowners, many of whom are of low or moderate income. If the supply of mobile homes is increased, future low and moderate income residents will benefit.

Option One: Purchase existing mobile home parks.

Description
This option would have the city or a non-profit housing corporation purchase existing mobile home parks and sell them to the residents or would themselves maintain the park as permanently affordable to low and moderate income households.

Actions Needed
This option would depend on the availability of mobile home parks on the market, and the identification of funding sources.

Location
Park purchases would be either within the city (Area I) or adjacent to the city in Area II.

Cost
The purchase price of the parks is very much dependent on which park is for sale, but is estimated to be between 3 and 5 million dollars. Mobile home parks in the city vary widely in their size and condition. Most will require additional funding for infrastructure improvements.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
Long-term to identify available park, identify funding sources, and complete a transaction.

Issues
Finding the public funds to purchase the parks will be difficult.

Option Two: Develop a new mobile home subdivision.

Option Description
Find a site and develop it for a new mobile home park where the lots would be sold to future residents. This would occur as part of the Comprehensive Plan update.

Actions Needed
Look again at Area II sites for possible mobile home park locations, purchase and land bank It may also be possible to find a private sector partner. Industry standards suggests that 10 acres is the minimum park size.

Location
Given Boulder's land supply, the best bet is to look in Area II for possible sites. In the future, a site in the Planning Reserve should also be considered.

Cost
The cost of the option can't be determined at this time.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
Long term.

Issues
The limitations of the land supply, the priority of this project for public funding and the method of development will all be issues. Additionally, neighborhood acceptance of a new mobile home park may be difficult to achieve and make park construction politically difficult.

Option Three: Examine current code and zoning requirements for impediments to upgrading existing mobile home parks.

Option description
Many of Boulder's mobile home parks were built in the 1940's and 50's, with some mobile home units now approaching 40 years old. Both the park infrastructure and the homes need to be upgraded, and some of the homes should be replaced. There may be impediments to replacing old homes with newer. Without compromising life safety, removing regulatory obstacles should be a priority.

Actions needed
Investigate and document any needed changes. Revise the appropriate regulations.

Location
This option would affect older mobile home parks in the city and those that will be annexed in the future.

Cost
Staff time would be the only cost.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
Short-term.

Issue
It is a delicate balance to understand the important life safety upgrades that should be made in the older mobile home parks and the high cost of making some of these improvements.

Tool 17 : Occupancy Limits

Description

The Land Use Regulation sets a maximum housing unit occupancy in each residential zoning district. This tool suggests allowing more unrelated individuals to occupy a single dwelling unit than the code currently allows through a discretionary licensing process.

Background

Currently, no more than 3 unrelated people may occupy a dwelling unit in the low density residential districts and no more than 4 unrelated people may occupy a dwelling unit in the medium and high density residential districts. The restriction is enforced when an over-occupancy complaint is filed. There are approximately 400 complaints received each year. In general, it is the impacts of the occupancy (noise, parking, trash) that triggers complaints, not just the number.

There are two exceptions to the occupancy limits. The current co-operative housing ordinance. allows an increase over the occupancy limit on a limited and selective basis. There are a limited number of legal non-conforming units which have occupancies greater than currently allowed in the zone.

Violations of the occupancy limits are widespread and are difficult to enforce. Single family homes are often occupied by at least as many tenants as there are bedrooms. The landlords may, or may not, be aware of the illegal situation in the unit.

Who benefits directly or indirectly?

Renters in general; students in particular.

Option One: <u>Allow an increase in occupancy through a discretionary licensing procedure.</u>

Option Description

This option would allow an increase in occupancy through a discretionary rental licensing review process. The components of this option include: developing criteria related to unit size, number of bedrooms, parking, noise, pets, yard and building maintenance and any other relevant impact; a revocable license for increased occupancy based on violations of the license provisions; and setting a maximum occupancy limit that could be approved. One approach could be to allow an increase up to the occupancy that would be allowed based on the underlying zoning. Increasing the allowed occupancy through a discretionary process could mitigate potential impacts while enabling more efficient use of the existing housing stock. The concept of this option is to not only allow increased occupancy above the current limit, but to provide an incentive to property maintenance and being a good neighbor.

Actions Needed

- Form a small committee composed of city staff, student government, neighborhood, and rental property representatives to develop and evaluate proposed changes to the current occupancy limits.
- Adopt ordinance revisions and develop the enforcement and administrative systems necessary to implement the new standard and to process complaints.

Location

If the restriction is lifted in all zones, the impact would be throughout the city, with the most likely effect in high density rental areas near the university and in larger single family homes.

Cost

The primary cost would be the staff time to develop ordinance revisions, complete a public process and implement and enforce the new regulations. There would be significant increased rental licensing, enforcement, and record keeping costs. The record keeping requirements could slow down enforcement turnaround, unless additional staff resources are provided.

Timing:

Short-term (6 months):	Form committee to develop potential ordinance changes.
•	Develop proposed occupancy ordinance changes.
Mid-term (18 months):	Review ordinance with Planning Board.
•	Bring ordinance to City Council.

Issues

Existing regulations provide some protection to neighborhoods from impacts of problem rentals and many neighborhoods will be very concerned about possibility of eliminating/ changing occupancy limits.

The current ordinance is frequently violated, and large numbers of students are living in an illegal situation. This places renters in a vulnerable situation, where they face choosing between eviction or living in substandard conditions. The university and the student government would like to see the occupancy ordinance changed.

Limiting the number of occupants helps preserve the character of single family neighborhoods but also creates a disincentive for the maintenance of rental properties. It is difficult to enforce behavioral standards, especially those related to vehicles. However, under the current regulation, it is often difficult to determine the number of occupants in a given unit. A higher occupancy limit will be unpopular with some residents of single family neighborhoods.

If higher occupancies are approved, it will be critical to specifically define what would trigger revoking the license: complaint or conviction? Repeated, verified complaints about noise, trash weeds and/or parking should be enough to revoke approval. Finally, it is not clear that awarding the occupancy requirement would reduce rents for tenants.

Option Two: Allow an increase in occupancy limits based on the number of legal bedrooms.

Option Description

This option would allow an increase in occupancy through the rental licensing process based on the number of legal bedrooms in the unit, up to a maximum number of unrelated occupants. This option would enable more efficient use of the existing housing stock and recognize the reality that many rental units are occupied by at least as many tenants as the number of bedrooms.

Actions Needed

- Form a committee composed of city staff, student government, neighborhood, and rental property representatives to develop proposed changes to the current occupancy limits.
- Adopt ordinance revisions.

Location

If the occupancy limits are changed in all zones, the impact would be throughout the city, with the most likely effect in high density rental areas near the university and in larger single family homes.

Cost

The primary cost would be the staff time to develop ordinance revisions, complete a public process and implement the new regulations.

Timing:

Short-term (6 months):	Form committee to develop potential ordinance changes. Develop proposed occupancy ordinance changes.
Mid-term (18 months):	Review ordinance with Planning Board and bring ordinance to City Council.

Issues

Same as in option one above.

Tool 18: Regional Solutions

Description

A significant number of people who work in Boulder live outside of Boulder and trends indicate that this number will increase in the future. This suggests that regional housing and transportation solutions are key components of a comprehensive housing strategy. This tool includes initiating a regional county-wide dialogue on affordable housing and regional transportation alternatives.

Background

The regional housing market has been very strong over the past few years, particularly in Boulder County. Home sales, prices and rents have increased significantly since 1990. The demand for housing has been fueled by in-migration, low interest rates, and job growth, particularly in the high wage advanced technology sector. Although both housing and the economy can be expected to go through up and down cycles, the long-term outlook in Boulder County is for increased regional population and job growth, with job growth outpacing housing growth. The implications of these trends are continued dispersion of the housing supply to areas further away from where the jobs are located, increasing commuting distances, and increasing traffic, as well as continued pressure on housing prices with demand exceeding supply.

These trends suggest that the location of jobs and housing in the region is becoming more dispersed and interdependent, and that the importance of regional efforts to address affordable housing for workers and regional transportation solutions will grow. The University of Colorado, for example, estimates that 50% of its faculty and staff live outside of the City of Boulder and that improved transportation service to the main campus and research park are critical.

Due to the differing circumstances and interests of the various jurisdictions in the county, it is often difficult to achieve meaningful regional cooperation and solutions. However, due to the tight labor market, employers are increasingly concerned about both housing affordability and transportation, and the opportunity may exist to form partnerships with the private sector on both affordable housing and regional transportation solutions. This suggests that the Chamber of Commerce or another group that represents employers are critical to advancing a regional discussion.

Who benefits directly or indirectly?

The potential beneficiaries are workers; CU students, faculty and staff; and employers in the region generally.

Option One: Initiate a regional housing discussion.

Option Description

Through the county or other appropriate entity initiate a discussion among local governments and employers about affordable housing needs.

Actions Needed

Schedule discussion of issues and potential strategies at the Consortium of Cities to determine the degree of interest among local jurisdictions in the county and to identify action steps and appropriate entity to take the lead on the issue. The county is also considering holding a symposium on growth issues in the spring with affordable housing as one of the topics.

Location

Discussions would be held throughout Boulder County.

Cost

Staff time would be the primary cost. If implemented, a partnership among employers and local jurisdictions, with funding from both, should be sought.

Timing:

Short-term (6 months):	Discussion of issues and potential strategies at the January, 1999 Consortium of Cities meeting and at County's spring conference.

Issues

The ability to take action is dependent upon degree of interest on the part of county, other jurisdictions, and employers.

The Bay Area Council, a group of 200 major employers in the San Francisco Bay area, provides a good example of employers taking the lead in developing housing solutions that may provide a model for us to emulate. The council views the scarcity of affordable housing in the Bay Area as a major regional problem in attracting new business and skilled workers. They advocate for expansion of the housing supply affordable to workers that is located close to employment centers and transit.

Option Two: Improve regional transportation options.

Option Description

Develop a partnership between local governments, employers, and RTD to improve regional transit through advocacy and funding. Improved regional transportation can decrease traffic, decrease parking needs, improve air quality, and would serve to address the reality of the regional housing market and the increasing number of employees and students that live outside of Boulder. CU has expressed strong interest in working with the city and RTD to improve regional transit routes to the main and east campus. The region has cooperated on several regional transportation studies, e.g. the US 36 Corridor Study and Transportation Management Organization, The US 36 Major Investment Study, and the Boulder County Regional Transportation Task Force.

Actions Needed
Determine appropriate private or public sector entity to convene the discussion.

Location
Throughout Boulder County.

Cost
The cost is difficult to determine at this point. Partnerships among local jurisdictions and the private sector, with funding from both should be sought.

Timing:

Short-term (6 months):	Assess degree of interest among local employers and jurisdictions; identify appropriate entity to convene discussion.
•	Explore funding options for regional transportation improvements, consider linkage to affordable housing, e.g. funding to improve regional transportation and improve amount of affordable housing.

Issues
Determining who benefits and who should pay.

Tool 19: Rehabilitation Loans

Description
This tool provides revolving loan funds to low/moderate income eligible households for the purpose of making health, safety and code violation corrections and repairs and energy conservation work.

Background
The city has provided low interest loans to low and moderate income, single family homeowners for approximately 21 years. The loan is repayable in 30 years, when title changes or when the home sells, whichever comes first. The program has been helpful to seniors and others on fixed incomes and has often meant the difference between allowing them to remain in their home or having to make another housing choice. The program is designed to act as a revolving loan fund, loans are repaid, and proceeds are used for new loans. The program could be expanded to assist higher income households modernize older homes.

How many units currently?
228 rehabilitation loans have been granted.

Who benefits directly or indirectly?
Low and moderate income homeowners, earning less than 80 percent of the area median income (AMI) are currently eligible to apply for assistance. An option for this tool is to expand the income range eligible for the loans.

Option One: Develop a middle income rehabilitation loan program.

Option Description
City assumes the risk of lending institution to provide loans to homeowners who have used all of their resources to purchase their home and do not have sufficient equity in order to finance repairs or expansion of their current home to accommodate growing families. In return, a bank loans homeowners funds to make improvements to existing housing in the city. Loans of up to $50,000 could be provided to assist middle income households make improvements to older homes throughout the community. Such a program might provide an incentive to middle income households to remain in Boulder.

Actions Needed
Identification of banks willing to participate in such a program

Location
Loans would be available through out the city but the focus would be on older homes.

Cost
$50,000/unit paid for by a partnership with banks. Homeowners would repay the loan.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
Short-term: Identify and develop partnerships with local lenders.
Mid-term: Begin issuing loans.

Issues
It is unknown whether or not a market exists for this type of program.

Option Two: Expand the Low and Moderate Income Rehabilitation Loan program.

Option Description
This option would expand the funding and the parameters of the existing Rehabilitation Loan program to accommodate the needs of the households that have city covenants attached to their properties. There is a strong probability that homes that have permanent affordability covenants (including growth management and First Home units) will have a difficult time financing general property improvements. These homeowners will encounter difficulties because their homes will not appreciate at the market rate and therefore may have insufficient equity to finance improvements. In addition, any second loan would require that the city subordinate their interest to the lender which would not be in the best interest of the city as this increases our risk of having to intervene if the homeowner should default on the loan. Lastly, the federal funding source for the rehabilitation program restricts the amount of general improvements allowed. Therefore, additional funding sources need to be identified for homeowners who want to finance improvements to accommodate a growing family.

Actions Needed
Identify additional funding sources that would allow general property improvements.

Location
This program would be available city-wide.

Cost
Approximately $15,000 - $20,000 per unit.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
Short-term: Identify need and funding sources.
Mid-term: Begin releasing funds.

Issues

Staff needs to determine the exact need for this program. This program helps low and moderate income homeowners to maintain their homes and gives favorable financing to make improvements that meets their needs into the future. The current covenant limits improvements in order to keep the housing unit affordable to a particular income range. If extensive and costly property improvements are encouraged then the cost of the permanent affordable housing stock may increase past the desired affordability range.

Tool 20: Rent Control

Description
A rent control system would regulate, in some way, the levels of rent or rent increases permitted within the city.

Background
State law, in the form of § 38-12-301, C.R.S., apparently makes rent control illegal in Colorado. That provision provides as follows:

> The general assembly finds and declares that the imposition of rental control on private residential housing units is a matter of statewide concern; therefore, no county or municipality may enact any ordinance or resolution which would control rents on private residential property. This section is not intended to impair the right of any state agency, county, or municipality to manage and control any property in which it has an interest through a housing authority or similar agency.

In the recent decision of Lot Thirty-Four Venture v. Telluride, docket number 96CA2158, decided on June 12, 1996, a Colorado Court of Appeals gave a very broad interpretation to § 38-12-301, C.R.S. The decision grew out of a Telluride affordable housing mitigation program which mandated that every development project must mitigate housing demands created by that development. One way for a developer to mitigate was to purchase or construct rental units which, pursuant to the plan, had to be deed restricted in terms of price and occupancy.

Telluride argued that the plan was legal for two reasons:

1. The plan did not constitute rent control; and

2. Even if it was rent control, as a home rule municipality, the state prohibition against rent control is not binding in this area of local concern.

The Appellate Court rejected both of Telluride's arguments. An application to have the case reviewed by the Colorado Supreme Court is pending. However, to the extent that the opinion accurately reflects Colorado law, rent control is unavailable as a housing cost containment tool, and even programs which don't look like traditional rent control might be subject to legal attack.

How many units currently?
None.

Who benefits directly or indirectly?

Rent control systems benefit current renters — at least in the short term. Low and very low income renters, who are most sensitive to rent increases, are the greatest beneficiaries of such systems. Depending on how they are set up (i.e., whether or not they provide for vacancy decontrol), such systems can also benefit future renters by containing rents even after current renters move.

Critics of rent control contend that everyone loses in rent controlled systems in the longer term. They argue that in such systems, landlords have little incentive to maintain or improve buildings so that tenants suffer in those respects. If new construction is not exempted from the system (it often is) then future rental development may be discouraged, with the result that future tenants will find it harder to find affordable units.

In rent controlled systems, landlords suffer to the extent that market conditions would otherwise allow them to increase rents and profits in the absence of the controls.

Option One: <u>Evaluate whether or not rent control is desirable in Boulder. If it is, lobby the State Legislature to eliminate the statutory prohibition.</u>

Option description

The current ban on rent control could be challenged. The most direct way to do this would be to encourage the legislature to abandon or alter the statutory prohibition.

Actions needed

There are policy concerns associated with traditional rent control systems independent of the statutory prohibition. Therefore, prior to expending time and resources on attempting to change the current law, a community decision should be reached on whether or not the institution of a rent control system is desirable. If our community decides that rent control is desirable, a program of lobbying the legislature and governor could be initiated.

Location

Presumably any rent control system would affect all rental units in Boulder.

Cost

If a decision is made to advocate for rent control, there will be costs associated with lobbying for such a system. Those costs are hard to estimate, but would certainly include the expenditure of both financial and political resources. If a rent control system were set up, the costs of administration could be significant, depending in large measure on the scope and design of any such system.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years):
The process of reaching a community decision on rent control, followed by lobbying for a legislative change would require substantial time. System design is also a time consuming process. It is likely, therefore, that the initiation of rent control in Boulder — if it happened at all — would be is a long term project.

Issues
There are a number of models for the operation of rent control systems. Some systems involve appointed or elected boards to administer the system and grant across-the-board rent adjustments (to account for cost of living increases), and individual rent adjustments (to deal with special circumstances like a landlord's need to do extensive renovation).

Some systems control rents permanently once rental units are registered while other systems control rents only during the tenancy of a given resident.

Even if legal, the consideration of a rent control system in Boulder would present a number of significant challenges. Thus, for example, there is evidence that rent controlled systems tend to foster black markets in sub-leased units, adversely impact building maintenance, and create substantial political antagonisms between renters and landlords. In fact, some argue that rent control is most appropriately used as a temporary measure to impose a moratorium on rapidly escalating rents until a better and more permanent solution to rental affordability can be put in place.

Option Two: Evaluate whether or not rent control is desirable in Boulder. If it is, challenge the statutory prohibition in court.

Actions Needed
First, reach a community consensus that rent control is desirable. Then, if such a consensus is achieved, evaluate the feasibility of a legal action seeking declaratory relief (guidance from the courts) on the legality of rent control under current law. Another approach would be to institute such a system and then defend the inevitable legal challenge.

Location
As in option one.

Cost
Litigation costs could be significant. The costs of setting up an entire administrative system of rent control only to have it challenged in court (and perhaps declared illegal) would be very high.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
Legal challenges could easily take several years. Therefore, the effective initiation of rent control under this alternative — if it could be done at all — must be considered a long term objective.

Issues
An argument can be made that as a home rule municipality, the state prohibition against rent control is not binding on Boulder in this area of local concern. However, this argument has never been accepted by any Colorado court and it was explicitly rejected in the Telluride decision.

Depending upon the final resolution of the Telluride case, there may or may not be legal maneuvering room within which to bring another challenge on home rule grounds. As a result, it is difficult to evaluate the feasibility of such an approach at this time. However, the argument that there is a valid state-wide concern relating to housing issues which justifies State pre-emption in this area is not one which will be easy to overcome. Therefore, it is not clear that Boulder would be victorious in such a legal challenge no matter what happens in the Telluride case.

Tool 21: Increase Residential Density or Units

Description

This tool would involve changes to zoning within the city limits or the land use designations of the Boulder Valley Comprehensive Plan in Area II to provide for greater residential densities than currently permitted. There are also parcels that have not been considered as likely locations for housing for one reason or another under current zoning that could support additional housing units. In addition, residential density bonuses could be granted under current zoning for affordable housing.

Background

The density at which residential building can take place is regulated through the city zoning map which assigns property to particular zoning districts and by the associated rules and regulations for development within those zones. The city has also identified an area (Area II of the Boulder Valley Comprehensive Plan-BVCP) where city services can be extended within its 15 year planning period. These properties are assigned a land use designation which more broadly indicates the type of land use appropriate for the site. Within residential land use designations, gross land use densities are assigned.

This tool looks at the related ideas of increasing the density of development, which may provide a residential unit that because of its smaller size may be more affordable, and the idea of increasing the overall permitted number of residential units within the city and its service area, which increases the supply of housing, but does not necessarily guarantee affordability.

How many units currently?

The policy in the November 1996 BVCP concerning residential buildout in Boulder is as follows:

1.13 Growth Projections

> "In order to ensure that past and projected impacts can be better mitigated or avoided, and to maintain a desirable community size, the City shall set projections for population and dwelling units for the 2020. Residential growth projections include a range of 3,350 to 4,900 additional new dwelling units within the 1994 City boundaries. Projected growth will be limited unless sufficient progress is made in reducing the cumulative negative growth impacts to an acceptable level and other significant community benefits can be achieved."

The Planning Department estimates that as of January 1998, there are a remaining 3,650 units to be built within the City limits and an additional 1,650 units to be built if Area II properties were annexed with current land use designations.

When looked at from the perspective of density of development the following distribution can be seen:

Residential Density	Area I	Area II	Areas I and II
Very low / Low (up to 6 dwelling units per acre)	650	1250	1900
Medium (from 6 to 14 units per acre)	2000	400	2400
High (above 14 units per acre)	1000	0	1000
Total	3650	1650	5300

Who benefits directly or indirectly?
This strategy could directly apply to any of the target groups.

Option One: Reexamine sites within Area I and update buildout projections.

Option Description
The Planning Department, in generating the residential dwelling unit projections used in the BVCP policy, looked at various sites that obviously had the potential for development or redevelopment. Time has passed and new opportunities are evident given current zoning. The planning staff could reexamine the assumptions used to generate the buildout projections and identify areas that under current zoning may represent overlooked opportunities for affordable housing or may have developed with nonresidential uses.

Actions Needed
A reevaluation of the residential buildout projections is the first step. A review by the Planning Board and City Council to determine the implications vis-a-vis the BVCP policy would follow.

Location
Various.

Cost
The cost would be in staff time.

Timing

Short-term (6 months):	Reexamine the sites assumed for residential development used in the current buildout projections.
Mid-term (18 months):	Share the information with Planning Board and City Council and reevaluate the present BVCP policy.

Issues

This reevaluation has the potential to either increase or decrease the projected number of units based on current market assumptions.

If new opportunities are identified that may have the potential to supply affordable housing under current zoning, this may not be consistent with council desires as expressed in Policy 1.13. In addition, the city recently concluded a comprehensive rezoning that lowered the potential residential density in a number of areas, including many of the residential neighborhood neighborhoods surrounding the downtown.

Boulder's zoning describes the maximum number of dwelling units that can be built on a particular piece of land. Occasionally, property owners or developers will build at substantially lower densities if the resulting types of units are more marketable. In order to ensure that the remaining housing development permitted at medium or higher density zoning is actually developed at those densities, a minimum density standard could be added to the land use regulation.

Option Two: Reexamine sites within Area II.

Option Description

The BVCP land use designation map is a part of the adopted comprehensive plan. All parcels within the city and in Area II have land use designations. These designations are used to help determine the appropriate zoning designation as properties are annexed to the city. Much of Area II is already developed in county subdivisions approved prior to the 1978 BVCP. However, there are some vacant parcels and some areas that could redevelop at densities higher than present.

The Planning Department started an evaluation of all the Area II parcels as part of the last major update to the BVCP in 1996. That project was put on hold as the department moved into a comprehensive rezoning within the city. Staff, working with a consultant, evaluated the options for many particular sites. This work could be reevaluated in light of opportunities to provide affordable housing sites.

Actions Needed
A reevaluation of the Area II site analysis is the first step. A review by the Planning Board and City Council to determine the implications vis-a-vis the BVCP policy would follow. Actual changes would have to processed as part of an update to the BVCP and approved by the Planning Board, City Council, County Planning Commission, and Board of County Commissioners.

Location
Various.

Cost
The cost would be in staff time.

Timing:

Short-term (6 months):	Reexamine the work completed to date in light of affordable housing goals. Report to Planning Board/City Council.
Mid-term (18 months):	Initiate land use designation changes, if appropriate. Process through 4-body Comp Plan change process.

Issues
While the properties identified may have the potential to supply affordable housing under current zoning, this may not be consistent with council desires as expressed in Policy 1.13. The county may be concerned about the compatibility of increased residential densities with the generally lower densities within nearby county subdivisions.

There may be particular opportunities that suggest themselves in light of affordable housing goals and the particular location or configuration of the various parcels. For instance, the Area II parcels south of the East Boulder Community Center may be particularly appropriate for senior housing since they are located near the east senior center.

Option Three: Rezone properties to allow for or increase the residential density permitted on specific sites within the city.

Option Description
In contrast to the recent downzoning of residential sites, this option would examine particular areas to determine if there is the opportunity to upzone properties as to density or to convert commercial and industrial properties to residential or mixed use. While a full evaluation would be needed, likely areas to look include properties along multi-modal corridors that can take advantage of transit and properties in and near commercial centers that could benefit from mixed use.

Actions Needed
An examination of current zoning, land use, transportation, and compatibility concerns along Boulder's corridors and in centers. If sites were found appropriate for a change in zoning, a rezoning could be initiated by Planning Board or City Council. If the proposed change was deemed a major change to the BVCP, approval would be necessary from the Planning Board, City Council, County Planning Commission, and Board of County Commissioners. Actual rezoning would be accomplished by an ordinance of City Council after a recommendation from Planning Board.

Location
Various.

Cost
The cost is uncertain and would depend on the scope of work. The primary cost would be in staff time.

Timing:

Mid-term (18 months):	Evaluate the potential for increased density in particular centers and corridors. Review with Planning Board and City Council.
Long-term (2 years):	Process land use designation changes, if applicable, through 4-body Comprehensive Plan process. Process rezonings through Planning Board and City Council.

Issues
While the properties identified may have the potential to supply affordable housing, this may not be consistent with council desires as expressed in Policy 1.13. Neighborhoods may be concerned about the compatibility of increased residential densities.

Option Four: Residential density bonuses.

Option Description
Within current zoning regulations, allow a density bonus for the provision of affordable housing. This could involve either lowering the base density in zoning districts and allowing the maximum only through the provision of affordable housing or raising slightly the maximum densities permitted (within the ranges specified in the BVCP land use designation map) and allowing that increment only through the provision of affordable housing. The first option would not raise densities, but would provide additional permanently affordable units. The second option would do both.

Actions Needed
An examination of current zoning and the implications of additional density with particular areas of the city could lead to implementation of this approach in a few, some or many zoning districts. Amendments to the land use regulation affecting the regulation of maximum densities and the requirements for receiving density bonuses would have to be reviewed by Planning Board and adopted by City Council.

Location
Various although the additional density could be directed toward areas that are able to handle the increased density or areas along transit routes or within walking distance to amenities.

Cost
Staff time to research, implement and administer.

Timing:

Mid-term (18 months):	Evaluate potential locations and zoning districts where density bonuses for permanently affordable housing might be appropriate. Discuss with Planning Board and City Council. Bring forward an ordinance for consideration by Planning Board and City Council. Review actual projects.

Issues
While the properties identified may have the potential to supply affordable housing, this may not be consistent with council desires as expressed in Policy 1.13.

Neighborhoods may be concerned about the compatibility of increased residential densities. Careful attention would have to be given to the location and design of affordable housing units within proposed projects to ensure project quality, compatibility, character and design. Neighborhood concerns may be raised over out-of-scale buildings, increased traffic congestion, impact on property values, and the perception that people who live in higher density housing are somehow 'different.'

Does not require a public subsidy and could encourage development in appropriate locations, such as along multi-modal corridors and near commercial centers.

The City of Boulder has allowed for density bonuses in the past (1976, 1979, and 1988 codes) in exchange for affordable housing. Currently open space or lot area requirements may be reduced through site review if a permanent dedication of the development is for a 'unique residential population whose needs for conventional open space are reduced' (e.g., handicapped, elderly). The maximum reduction allowed is 5% and is only available in the regional business zones.

Option Five: Use transfer of development rights (TDR'S).

Option Description

A TDR program transfers the density permitted on a sending site (usually an area that the community wants to preserve as open) to a receiving site within an urbanized area. The actual mechanism is the purchase of a development right from the owner of the sending site by a developer of housing within a receiving area.

The City of Boulder has agreed with Boulder County to permit the use of development rights transferred from a specified plan area in the County within the City's service area. The April 1995 agreement specifies that Boulder shall permit up to 250 development rights to be located within the City's service area. The City has listed the use of TDR'S as a possible community benefit to justify the annexation of land within Area II. So far, no such units have been transferred.

In order to make this program relevant to the goal of providing affordable housing, this option would permit some multiple of the development rights be transferred to the city's service area if the units were for permanently affordable units. For example, for each development right transferred, say four units could be developed if they were for permanently affordable units.

Actions Needed

Evaluate the current market for TDR'S to determine the appropriate multiplier for development rights to create permanently affordable housing. Discuss this with Planning Board and City Council. Create the ordinance that would permit this program.

Location

The program applies to land within the city and in Area II. The likely sites for this program would be zoned for medium or high density housing. In the city this would likely have to function as some kind of density bonus. For land in Area II, this would likely require that the land be designated for medium or high density residential land use and zoned appropriately upon annexation.

Cost

Staff time to evaluate the market potential and identify likely sites. Cost of a development right is set in the market place and is currently running about $50,000.

Timing

Short-term (6 months):	Evaluate market potential for the use of TDR'S for affordable housing. Discuss with Planning Board and City Council.
Mid-term (18 months):	Return with an ordinance for Planning Board and City Council consideration.

Issues
Since TDR's cost approximately $50,000, this cost works against the creation of affordable housing. The number of permanently affordable units that could created needs to be adjusted accordingly.

Finding appropriate sites will have the same issues as increasing density or the number of residential units within Area I and Area II discussed above.

Option Six: Add housing to commercial and industrially zoned areas.

Option Description
Boulder's zoning code presently allows housing within business zones (CB, TB, RB) at high densities. The code allows residential units in some industrially zoned districts (by use review in IS and IG, but not at all in IM). The IMS-X zone allows live-work units and attached units if at least 50% of the floor area is for nonresidential use, otherwise by use review.

This option would evaluate whether additional opportunities for adding housing to commercial and industrial areas exist and what code changes might be appropriate. Working with property owners and developers on particularly promising sites to encourage the construction of housing may lead to actual projects and an understanding of the impediments in financing and city regulation.

Actions Needed
Evaluate current zoning requirements to determine if they are still appropriate. Identify promising sites and willing property owners and developers to pursue an actual demonstration project.

Location
Older neighborhood shopping centers. Areas within and close to downtown and the Boulder Valley Regional Center. Industrial areas where the adjacent uses would be compatible with residential uses.

Cost
Staff time for a zoning analysis. Costs associated with a demonstration project.

Timing

Short-term (6 months):	Evaluate present zoning code. Identify promising sites. Initiate a demonstration project.
Mid-term (18 months):	Evaluate demonstration project. Discuss possible amendments to Boulder's code to encourage more residential development in commercial and industrial areas.

Issues

The same types of impediments to mixed use development exist for projects where residential uses are introduced in commercial and industrial areas. Developers of commercial and industrial projects are not typically also residential developers. Financing is more complicated. The market for these units is untested. City codes may not encourage the use in terms of development and parking standards.

Tool 22: Residential Growth Management System

Description

Residential growth management is a regulatory program of the City of Boulder designed to manage the rate of residential growth and encourage homebuilders to provide affordable housing. All homebuilders must first secure an "allocation" for a building permit. The number of allocations are limited each year. More allocations are available for affordable housing units than market-rate housing units.

The residential growth management system is designed to achieve the following objectives:

- A less than 1% growth rate in the number of residential units
- Preservation of Boulder's unique environment and high quality of life
- Orderly growth
- Provision of low income housing and a diversity of housing types and sizes
- Provision of housing affordable to workers with opportunities for people who work here to live here
- Avoiding the impacts of unmanaged growth
- Sharing available building permits on prorated basis
- A transition from a 2% growth rate to the present system

Background

In 1995 substantive changes were made in Boulder's residential growth management system. The growth rate was cut to 1% of housing units. There are 300 allocations per year as base number available. An additional 75 allocations per year were provided for the first three years. The system was front loaded.

Three allocation pools were created in different affordability ranges: (Percentages of the allocations of a given year.) Permanently affordable units amount to 20% of the total available. Restricted units amount to 35% of those available, increasing to 55% over time. Unrestricted units, or "market rate units amount to 45% of available units reducing to 25% over time.

Restricted units mean for-sale (no rental) units affordable for persons earning 80 to 120 % of the Area Median Income (AMI) through size restrictions and initial affordability. Permanently Affordable means affordable for persons earning 60 - 80% of the AMI. Units affordable to those making below 60% of the AMI are exempt from the system.

A separate "pipe-line" pool for pre-'95 projects, allows cash in lieu payments. Included different affordability criteria — cash in lieu of one in four units being affordable. Allocations can be "reserved" for the future for several years. Established for projects which meet affordable criteria — projects which have some from each of the three defined affordable types of units.

There is no longer a guarantee for one allocation to each development and that resulted in **fractions** of allocations being allotted. Now demand for market rate units exceeds supply. So — fractions are actually allocated. Fraction of allocation might have to banked until one whole allocation is earned.

There are no allocations scheduled in the ordinance beyond 2001. However, total allocations available exceeds the total demand. Demand does not exceed supply *if* we look at pipeline and market combined. But for new projects, demand does exceed supply. Restricted and permanently affordable allocations are available.

This means that overall, we have about 450 allocations available annually from the four allocation pools. But the number utilized is smaller because most requests are in the unrestricted categories. This has caused difficulty in administration. But on the other hand, we are producing some affordable housing.

Many issues and concerns have been raised concerning the present system. Among them are the following:

- Single lot owners can be tied up in the current system for a long time.
- A growth management system for residential units makes it difficult to do mixed use projects.
- The RGMS is an indirect way to secure affordable housing; a more direct approach would be fairer.
- The allocation process itself bogs down development and leads to higher prices.

How many units currently?
NA

Who benefits directly or indirectly?
Owners and developers of units affordable to those making less than 120% of the AMI benefit from the current system.

Option One: Amend the Residential Growth Management system to create a variety of affordable housing options.

Option Description
Two RGMS forums have been held to identify issues and possible solutions. This resulted in the development of four possible policy options.

1. **TWEAKING THE CURRENT SYSTEM**. This policy option would reform the current system, maintaining some aspects that would lead to more affordable housing while dealing with the more obvious impacts of the current system. Some of the possible reforms include:

Adjust to 1% of existing housing units on an annual basis.
Exempt permanently affordable units from the system (not subject to overall limit per year).
Change the proportion of restricted to unrestricted units to 2/3 and 1/3.
Base restricted units on size of unit.
Restore pre-1976 lot exemption and allow one allocation per development per year (subject to overall limit per year).
Add cash-in-lieu option for projects newer than 1995.
Exempt mixed use project residential units (subject to overall limit per year).

2. **BACK TO THE FUTURE.** This policy option would separate residential growth management from affordable housing. For the residential growth management system, we would return to older version of prorated system. A different and separate approach to affordable housing would be created, such as inclusionary zoning with a cash-instead-of option, an increase to the housing excise tax, or a commercial linkage program.

3. **NO RATE CONTROL, BUT WE WANT AFFORDABLE HOUSING**. This policy option would eliminate the residential growth management system, with some alternate approach to affordable housing.

4. **NOTHING IS BETTER**. Finally, this policy option would eliminate the RGMS with no substitute for providing affordable housing.

A variety of perspectives were expressed at the forums.

- Affordable housing is being built under the current system, and any changes to the system should provide for affordable housing.
- Waiting for allocations for building permits imposes regulatory delay and cost that itself impacts the ability to deliver affordable housing, and any change should simplify the building process.
- Managing how fast building occurs enables the community to better handle the impacts of growth, and any changes must meet that goal.

Further policy discussion has focussed on the ideas of either working within the framework of the RGMS or to use a mandatory approach such as inclusionary zoning. The common goal of both options is that new construction provide a significant contribution to affordable housing. The other goal is to provide a variety of options for new development to meet that affordable housing goal. Some of the ideas discussed include: development of permanently affordable housing, development of size restricted units, mixed use development that includes affordable housing, a cash-in-lieu payment, land dedication, purchase of an existing unit with a deed restriction on price increases, and construction of an affordable accessory unit.

Just which system would achieve the most affordable housing is unclear without working out the specific details. This option would initiate a change to the RGMS along the lines suggested above, with the possible outcome that the new system looks quite different from the existing one. Part of the system design will deal with the issue of a fair transition from the existing system to the new one, so that projects that have been waiting in the old system are given credit in the new system.

Actions Needed
Changes to the RGMS ordinance would require an ordinance of City Council following a recommendation from Planning Board.

Location
NA

Cost
Staff time.

Timing:

Short term (6 months):	Get direction from Planning Board and City Council regarding amendments to the RGMS. Bring back an ordinance for Planning Board and City Council direction. Implement changes.

Issues
See above.

Tool 23: Reverse Mortgage

Description

The reverse mortgage tool is primarily a financing approach designed to allow people, usually elderly, to remain in their homes if they choose to. Homeowners would be able to take equity from their homes, either as a monthly payment or a lump sum. The amount is based on the applicant's age, value of their house, and their financial needs. Typically banks administer this program after appropriate counseling.

Background

This program is currently available. Boulder County staffs a housing counselor position who provides counseling on the reverse equity mortgage prior to the applicant going to a bank of their choice. The counselor gives applicants a calculation showing how much they can receive, whether a monthly payment or a lump sum, the cost, the applicability of this particular program to their specific needs, and the amount that the value of their house will be reduced. The City of Boulder refers anyone who might be eligible to the Boulder County Housing Counselor. Boulder County also provides the property tax deferral program through the Treasurer's Office. Other strategies that could also be used include lease/purchase option, or a rehabilitation loan through the City (Tool 19).

How many units currently?

The Boulder County counselor sees approximately 3 to 6 potential applicants per month. Data is not available on how many actually utilize the program through the banks. This program does not increase the supply of units. It will enable eligible applicants to be able to stay in their homes if they want to.

Who benefits directly or indirectly?

The program is designed primarily for low and moderate income homeowners, usually elderly. It could be used by older persons of any income.

Option 1: <u>Increase marketing/education for reverse mortgage.</u>

Option Description

Increase marketing and education about the existing reverse mortgage program in order to reach more people who could use it.

Actions Needed

Program currently exists. Education, promotion, market research are needed.

Location
Dispersed throughout Boulder in residential zoning districts in older areas where the housing is 15 or more years old.

Cost
Increased staff time for education, promotion, and market research. This means increased cost for the City of Boulder, in the range of $5,000. Costs to the participant include mortgage insurance, closing costs (app $6,000). These costs are rolled into the mortgage. Likely funding source/ partnership with local banks, the City of Boulder and Boulder County.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
Short-term: Education and marketing to increase awareness of program; implement program.

Issues
Program is some help to small target group of elderly homeowners who have owned their homes for a long period of time. Does not have significant impact on affordable housing supply. There does not seem to be any advantages for the City of Boulder to provide the reverse equity mortgage, since the banks are doing this. Market research may identify a slightly different need: Elderly homeowners who want to stay in their homes although they do not have adequate equity in their home to qualify for this program. The city could play a greater role if this is the case.

Option Two: <u>Lease/ purchase from the city.</u>

Option Description
In this option the city would purchase the home, with the proceeds going to the homeowner who would like to stay there. The city would then lease the home back to the homeowner. This option has the benefit of providing a lump sum payment to a homeowner in cases where it is needed, as well as providing security for the homeowner to stay in their home as long as they want. A related program is the Existing Housing Unit Purchase Program (Tool 10).

Actions Needed
City Council adopt the program, identify funding sources. Marketing would be needed.

Location
These housing units would be dispersed in residential zoning districts where housing is 15 or more years old.

Cost
The cost is possibly as much as $50,000 per house, plus additional financing. Public funding would need to be identified.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)

Short term: Program adopted, funding sources identified, program marketed.

Mid-term: Funding secured, program implemented.

Issues

- The city could place a covenant on the property and resell it to a targeted buyer. (See Tool 10. Existing Housing Unit Purchase Program.)
- If homeowner is assured of a quick sale, a source of needed capital, and a permanent long term lease arrangement, the selling price could be below market, thus providing advantages to both the homeowner and the city.
- The house being requesting to be purchased with leaseback provision might not be appropriate for the city to buy. City would have to develop criteria to ensure an appropriate fit.
- A determination should be made whether the city or a non-profit should purchase the housing units.

Tool 24 : Senior Housing

Description
Given the demographics of the baby boom, housing for seniors at all income levels may be needed in the future. This tool would increase the number of senior housing units.

Background
While the proportion of the population in Boulder over 65 is less than in the nation as a whole, it has been increasing since 1970. The number of people over 65 is expected to increase with the aging of the baby boom generation, resulting in a future increased demand for senior housing.

According to 1990 Census data, nearly two thirds of elderly one and two member renter households with incomes up to 50 percent of area median income (AMI) pay over 30 percent of their income for rent; more than one third spend more than 50 percent of their income on rent.

For those elderly requiring assistance services, the most critical issue is the cost of these programs and the current lack of subsidies. Services needed include assistance with shopping and errands to assistance in the home with chores and meals.

How many units currently?
Housing choices and the approximate number of units for seniors available in Boulder include:
- 575 independent living units (subsidized)
- 442 independent living (unsubsidized)
- 274 assisted living units
- 629 nursing home beds

These units include both privately and publicly developed and managed projects. For those capable of independent living, units affordable to very low and low income elderly are in short supply.

Who benefits directly or indirectly ?
Seniors of all income would be the beneficiaries.

Option One: <u>Identify incentives to include senior housing in future developments or redevelopment projects</u>.

Option Description
In late 1996, the Senior Center Services contracted with the Center for Policy and Program Analysis to conduct a mail survey of people over 55 concerning their housing preferences. When asked what three features of a home would be considered most important to residents if they were to move to another house, the top five preferences were:

- Quiet neighborhood, good location, away from traffic
- One floor with no or few steps
- Low, no, or easy maintenance
- Affordable, low cost
- Close to shopping, supermarkets

These preferences should guide the selection and design of senior projects.
With these qualities in mind, certain development sites would be ideal for senior housing. In these instances, incentives for the private production of market rate units and city subsidy of units that would be permanently affordable to low income seniors should be sought.

Actions Needed
Staff should identify appropriate incentives for the production of senior housing. The city could then partner with market or non-profit developers.

Location
See next option.

Cost
Could be a combination of market and subsidized units. City could do market research, marketing. This would include staff time of up to $50,000. Additional funding might be needed for subsidized units.

Timing: Short-term (6 months), mid-term (18 months), long-term (2+ years)

Short-term:	Determine sites/projects suitable for senior housing; market research.
Mid-term:	Identify possible partners, determine financing.
Long-term:	Construction.

Issues
- It is important to determine the need and target income group for senior housing as incentives are developed.
- As there are few remaining parcels of land left for development, identifying a parcel suitable for a senior housing project may be difficult.

Option Two: Identify sites for future senior housing.

Option Description

This option suggests a proactive approach by city planning and housing staffs in the identification of good sites for future senior housing. When these sites are in Area II, prior identification may help the property owner when annexation is desired. Within the city, senior housing may be considered as mixed use developments are contemplated (See Mixed Use, Tool 15), or when inclusionary zoning is considered. The option is not meant to preclude other sites for senior housing, but to identify the most appropriate based on criteria.

Actions Needed

Criteria for good sites should be developed. Once this is done, and as a part of the next five year update to the Comprehensive Plan, an identification of Area I and II sites can be done. Property owners should be involved as well. It is possible that the search could be conducted with a larger project that would identify the best remaining locations for a variety of different housing needs.

Location

Determining the best location for senior housing projects is the gist of this project. Given the preferences identified in the survey, the best opportunity for providing senior housing would be in locations which are in close proximity to services and transportation. This could be in a redevelopment of existing commercial areas, such as the Table Mesa Shopping Center, Crossroads and Boulder Junction; or it could include sites adjacent to the east Boulder recreation center. Mixed use projects may also work well for seniors. Vacant Area II sites should also be scrutinized for appropriateness.

Cost

The primary cost would be in staff time. Prior identification of sites for senior housing could speed annexation or project review, reducing project costs for private developers.

Timing: Short-term (6 months), mid-term (18 months), long-term (2+ years)

Development of criteria could be done in the short-term. The selection of sites, in concert with seniors, property owners and neighbors, could be done in the mid-term.

Issues

- It may be difficult to engage property owners in this process if it is perceived that it is limiting future development options. On the other hand, once a site has been selected as appropriate for senior housing, it will set expectations for neighbors and decision makers about likely future development.

Tool 25: Service Area Expansion

Description

The Boulder Valley planning area has been broken into four different areas: Area I which is within the city limits; Area II which is now under county jurisdiction and where land can be annexed within a 15 year planning period; Area III/Rural Preservation Area where the city and county intend to preserve existing rural land uses and character, and Area II/Planning Reserve Area, where the city and county intend to maintain the option of expanded urban development in the city beyond the time frame of the 15 year planning period.

The Boulder Valley Comprehensive Plan (BVCP) provides for a process to expand the city's Service Area (Area II) into the Area III/Planning Reserve Area. This tool would provide additional land for affordable housing by expanding the Service Area and eventually annexing land into the city.

Background:

Policy 2.09(b) of the BVCP states:

"The Area III-Planning Reserve Area (PRA) is that portion of Area III with rural land uses where the city intends to maintain the option of limited Service Area expansion. The Area III-Planning Reserve Area classification maintains both rural preservation and urban development options until the city and county decide the ultimate desired land use. The location and characteristics of this land make it potentially suitable for new urban development, based on the apparent lack of sensitive environmental areas, hazard areas, and significant agricultural lands, the feasibility of efficient urban service extension, and contiguity to the existing Service Area which maintains a compact community.

In the long-term, city expansion into the PRA may or may not be desirable depending on how well the community meets its long term goals and depending on whether the benefits to the community outweigh the costs and negative impacts from new urban development."

The BVCP contains a prescribed process for Service Area expansions that requires that they only be done during major updates to the BVCP (every five years - next update in the year 2000), that they be initiated only by the city or county, and that a Service Area Expansion Plan be completed. The process anticipates a participatory public process in association with the land owners.

How many units currently?

A limited number of residential properties exist with the PRA and a variety of commercial properties along U.S. 36. See map.

Who benefits directly or indirectly?
Depending on the type of land use and residential densities proposed, a wide variety of beneficiaries could be provided for.

Option One: Initiate a service area expansion.

Option description
In order to provide land for affordable housing, expand the Service Area into the Planning Reserve.

Actions Needed
This action would have to be initiated by the city or county during a five year update to the BVCP. A Service Area expansion plan would have to be developed. Approval would have to be received from the Planning Board, City Council, County Planning Commission, and Board of County Commissioners.

How many units in the future?
The Planning Reserve Area has a total of 646 acres. Based on recent acquisition efforts by the city, there are 170 acres of acquired parks, 33.75 acres of acquired open space, and other public/semi-public uses of 4.5 acres. This leaves 437.75 acres of land that could conceivably be available for residential development. A rule of thumb is that 25% of land is taken up with rights-of-way. This would leave approximately 329 acres. Depending on the density of development, different numbers of residential units could be built:

Residential density	Typical units per acre	Number of residential units
Low density	5	1645
Medium density	12	3948
High density	18	5922
Mixed (a third in each density category)		3850

Location
See map.

Cost
Service Area Expansion plan would require public and private resources. The city, the county and possibly private land owners could share the cost.

Timing:

Long-term (2 years): One option would be to initiate a discussion of this option during the BVCP update during the year 2000, with the anticipation that an actual plan would be developed for consideration in 2005.

Issues:

This option begs the major policy questions regarding the wisdom of expanding the Service Area at this time for this purpose.

Option Two: Begin landbanking in the Planning Reserve for possible use as future housing site.

Option description

In order to provide land for affordable housing, begin buying land in the Planning Reserve for possible use as affordable housing prior to any expansion of the Service Area into the Planning Reserve.

Actions Needed

Identify appropriate parcels of land and funding for acquisition. Work in cooperation with the Open Space program so that if housing is ultimately deemed inappropriate, the land could revert to the Open Space program. Seek approval from the City Council.

Location

See map.

Cost

Land acquisition costs are substantially lower now than when the land is brought into the Service Area.

Timing:

Short-term (6 months): Identify sites.
Identify funding.
Acquire property.

Issues

This option can only be exercised if the Planning Reserve is ultimately brought into the Service Area and annexed to the City. At the time of a Service Area Expansion Plan, the land acquired might not be identified as appropriate for housing. Buying the land in cooperation with the Open Space program, where the land could revert to Open Space purposes would mitigate this concern.

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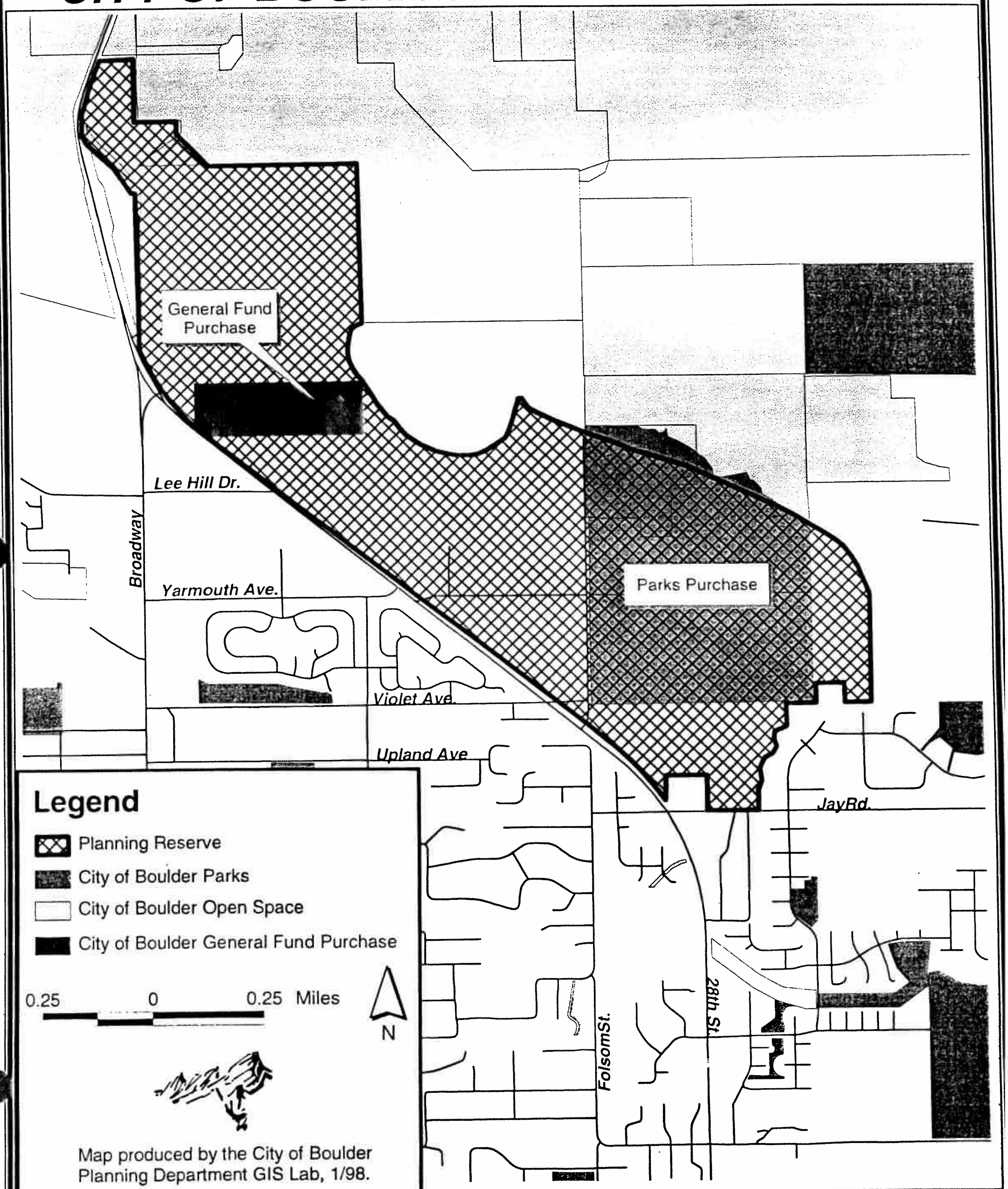

Tool 26: Size Restrictions on New or Existing Housing

Description
This tool would explore methods to limit the size of new single family homes and the expansion potential of existing single family homes.

Background
With limited new development opportunities, we will see more re-development of existing housing, such as additions, pop-ups and scrape-offs. Large additions and scrape-offs are often out of character with the surrounding neighborhood and permanently remove lesser priced-housing from the market. Very large new homes are not an efficient use of land and some believe that Transferrable Development Rights (TDR's) should be used to construct large single family homes in the city. Some traffic studies indicate that higher income households generate more vehicle trips and vehicle miles traveled.

How many units currently?
Approximately 40% of the current housing is single family detached.

Who benefits directly or indirectly?
First time homebuyers, downsizers, entry level professionals, CU faculty would directly benefit.

Option One: <u>Explore policy alternatives for maintaining or increasing the supply of smaller homes in the city's housing stock</u>.

Option Description
This option would explore and develop options that would create regulatory incentives for smaller, new single family homes or disincentives for large, new single family homes and regulations to discourage extensive expansions or scrapeoffs of existing homes, including charging a fee or requiring TDR'S to build a large home.

Actions Needed
As with several of the options, development of this option will require a careful analysis, an extensive public process and, eventually, Planning Board and City Council approval.

Location
Limits on the expansion of existing homes would affect homeowners throughout the city. Limits on the size of new homes would mostly affect developments at the edge of the city.

Cost
The primary cost would be in the staff time it would take to develop the options and conduct the public process.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
Depending on the priority given this tool, the development of a preferred option could be done within six months.

Issues
- Regulations restricting additions will be unpopular with existing homeowners. A version of this tool was tried and dropped within the last five years because of resident opposition. Design guidelines were tried instead, and also were not successfully applied.
- It is difficult to determine threshold between allowing for "reasonable" expansion (for example, to accommodate a new child) and limiting out-of-character and scale development which would substantially increase the value of the home. As a place to start, however, some existing homes are already limited to a maximum expansion of 10% if they are built as a part of a Planned Unit Development (PUD).
- Size limitations do not assure affordability to people earning less than high incomes over time.

Tool 27: Student Housing - Existing

Description
Some rental properties are in poor physical condition and/or the property is poorly maintained, particularly in the University Hill area. The University Hill area provides rental housing for a variety of tenants, primarily students. Certain areas are consistently a problem in terms of trash, weeds, parking and noise. This tool proposes some options aimed at improving the condition of rental properties and improving relationships between the student and non-student populations.

Background
The condition of housing and student behavior in the University Hill area has long been a major source of tension between the university and the community. The diversity and density of land uses and the expansion of private multi-tenant rental housing into the single-family neighborhoods contributes to the problem. Over the years, the area has had problems with crime, transients and alcohol abuse.

The condition of some of the rental housing stock serving the student market continues to deteriorate and suffers from poor maintenance and investment. Occupancy and housing code compliance continue to be a city enforcement issue.

The city's codes are enforced to the greatest ability possible with current staff resources. Rental licensing inspections and enforcement are handled by three housing inspectors. The city has two environmental enforcement officers who enforce the weed, trash, and noise provisions of the code. In addition to other duties, in the spring, summer and fall these officers work night shifts on the weekends. The city's two zoning inspectors handle zoning code violations, which include occupancy complaints. Occupancy complaints take up a significant percentage of their time, although overall, the number of occupancy complaints has decreased over the last decade. The zoning inspectors attribute this to landlords playing a more active role in addressing this issue over time due to complaints. In 1996, enforcement officers handled 1850 noise, 400 trash , 193 weed complaints, and 333 zoning violation complaints. In 1997, there were 1494 noise, 183 trash, 193 weed, and 448 zoning cases. Noise and weed complaints fluctuate. Trash complaints are concentrated at the beginning and end of the school year, when there are a large number of students moving. Enforcement is primarily on a complaint basis.

How many units currently?
Based on the city's citizen survey, approximately 16-17,000 students live off-campus in the city of Boulder. The citizen survey shows that 78% of the students living both on- and off-campus in Boulder are renters; 22% are homeowners.

Who benefits directly or indirectly?
Students and neighborhoods would benefit directly.

Option One: Strengthen the enforcement of codes.

Option Description

Strengthening code enforcement could include a review of our codes to identify possible changes that would strengthen the code and hence our enforcement capability, adding staff resources to increase enforcement of violations, and/or looking at alternative enforcement procedures. Our noise codes have been strengthened and are quite effective. However, code provisions regarding trash generally require it to be a fire or health hazard to be a violation, and there may be opportunities to strengthen the code that requires enclosed dumpsters in multi-family units, require trash service, and/or add nuisance provisions. Alternative enforcement procedures might include requesting that someone calling in a complaint first try talking to their neighbors before filing a complaint. Communication among neighbors could mitigate issues before enforcement by the city becomes necessary. Increasing staff resources is always an option, however, this needs to be examined to assess whether the benefit outweighs the additional cost. The city is fairly aggressive in following up on complaints.

Actions Needed

- Examine codes for potential changes to strengthen enforcement capability.
- Explore alternative enforcement procedures.
- Assess costs and benefits of additional enforcement capability.

Location

Primarily University Hill, although this is also a problem in the Goss-Grove area and Martin Park.

Cost

Increased enforcement of existing codes could require additional staff resources and associated costs.

Timing:

Short-term (6 months):	Review of codes, identification of possible changes, proposed code changes. Evaluate alternative enforcement options.

Option Two: Develop a partnership between the city, the neighborhoods, the university and the student government to address off-campus student housing issues.

Option Description

Resolution of the off-campus student housing issues will require joint ongoing efforts by the university and the community. These efforts probably require a combination of strategies including: activities aimed at behavioral change and prevention; enforcement; city/university investments in the University Hill area. The city would like to explore opportunities with the university for public/private partnerships and direct investment to contribute to the revitalization of both the business area and student rental housing. These efforts could include university location of office, commercial and/or student service functions on the Hill in University-developed or leased space. Opportunities also exist for university or private/public partnership involvement in improving student housing condition and maintenance. The existing university-owned parking lot is a prime location for redevelopment, especially for university-related student services.

Actions Needed

- Formation of university/city/neighborhood task force to address student housing issues.

How many units in the future?

NA

Location

Primarily University Hill, although there are problems in the Goss-Grove area and in Martin Park.

Cost

Cost would be in staff time.

Timing:

Short-term (6 months): Formation of university/city/neighborhood task force to address student housing issues.

Issues

Several university communities have formed on-going university/community task forces to address off-campus student issues including Fort Collins/CSU, Amherst, Massachusetts/ University of Massachusetts, and Albany, New York/State University of New York, Albany.

Option Three: Revise the non-conforming use code to permit upgrades to higher density residential structures on the "Hill".

Option Description

Many structures in the residential area surrounding the "Hill" commercial area were built at residential densities greater than those permitted under today's code. This makes those structures "nonconforming uses" under the code. The Land Use Regulation only allows a conversion or expansion of those nonconforming uses if they do not constitute an increased impact. Increased impact includes a greater parking demand, increased traffic, or an expansion in size, impact or effect upon the surrounding neighborhood. Almost any remodel or renovation of these nonconforming structures triggers one or more of these impacts, making it impossible to meet the code requirements.

At the same time, these structures are quite lucrative to operate as rental properties, even with minimal maintenance. The result is that these buildings are "frozen" in time with no incentive for the property owner to improve them. This option would revise the standards of the nonconforming use section of the code to allow for limited improvements and expansion to residential buildings built over today's density limits.

One approach would permit certain types of improvements in exchange for certain types of neighborhood oriented improvements. For instance, the owner might be permitted to remodel or upgrade kitchens in a rooming house situation or provide porches, decks and patio areas in exchange for improved parking, trash collection areas, lighting and security, or landscaping. This approach could have the result of creating better living conditions for largely student renters, improve building maintenance and secure some improvements that would mitigate the impact of the housing on the neighborhood.

Actions Needed

A good understanding of exactly how many structures this approach would apply to, what kind of trade-offs would be of interest to property owners, developers, renters and the neighborhood would be a first step. Planning staff would work with the City Attorney's Office to develop a proposed ordinance to be reviewed by the Planning Board and then considered for adoption by the City Council.

Location

The high density areas adjacent to the "Hill" commercial area.

Cost

Cost of developing proposed ordinance would be relatively small, likely involving a few meetings.

Timing

Short-term (6 months): Evaluate number of units affected.
Work with property owners, developers, and neighborhood residents to determine the types of improvements that would mutually benefit owners and neighbors.
Prepare draft ordinance.

Mid-term (18 months): Review ordinance with Planning Board.
Bring ordinance to City Council.

Issues

This strategy depends on the ability to find equivalent measures that are of interest to both property owners/developers and renters/neighborhood residents to allow for a trade-off approach.

Other options could also be explored. Fort Collins classifies such structures as "existing limited permitted uses" and allows expansion under a set of specific criteria.

Option Four: Designate the University Hill residential neighborhood as a historic district.

Option Description

The area generally located between Ninth and Broadway, and University and Baseline, is eligible for historic district designation. Historic district designation would provide the advantages of protecting the area's historic character while at the same time providing a variety of incentives for property improvement. Improvements in a historic district are required to be compatible with the character of the individual buildings and the district as a whole. Some of the city's incentives for properties in historic districts include: state income tax credits, city sales tax waiver on construction materials, waivers from certain provisions of the uniform building code, and exemptions from certain sections of the rental housing code.

This approach, in conjunction with Option 3 (changes to the non-conforming code sections), could lead to improvements to some of the non-conforming uses over time.

Actions Needed

- Determine degree of property owner support for historic district designation
- City Council, Landmarks Board, or Historic Boulder initiation of historic district.
- Public Hearing with Landmarks Board, Planning Board and final approval by City Council

Location

The area generally located between Ninth and Broadway, and University and Baseline.

Cost
The cost is in staff time.

Timing:

Short-term (6 months):	Determine degree of property owner support for historic district designation
•	City Council, Landmarks Board, or Historic Boulder initiation of historic district.
Mid-term:	Public hearing with Landmarks Board, Planning Board and final approval by City Council.

Option Five: Re-establish rooming houses as a legal conforming use.

Option Description
The Land Use Regulations state that if a non-conforming use has been discontinued for at least a year, it cannot continue its legal non-conforming status. This means that if the city documented an occupancy less than what may have existed in the past, and the owner cannot prove the higher occupancy did not lapse for more than one year, the new occupancy for the non-conforming structure is the lower occupancy. This means that there are rooming houses occupied less than a previously approved capacity, or rooming houses where landlords are operating in violation of city code.

Most rooming houses are in the Hill area. At one point in time, rooming houses were a legal conforming use, allowing occupancy up to the physical capacity of the structure and the zoning approval where the property was located. When rezoning occurred, rooming houses became a legal non-conforming use, and occupancy was established by the number of actual bodies in the structure at the time.

In most cases, this immediately reduced the number of people allowed to occupy the structure since the landlord could not show that the reduced occupancy was for less than a year.

Occupancy rates on the Hill vary from year to year and could impact the actual number if the vacancy rate was high for any given period of time.

Action Needed
- Change the Land Use Regulations to allow rooming houses.
- Establish occupancy based upon the Fire Code and the Housing Code.

Location
Mainly the Hill area. This also includes fraternity and sorority houses.

Cost
Staff time to draft ordinance.

Timing:
Short-term.

Issues
The current housing code does establish 70 square feet of floor area for the first occupant and 30 square feet for each additional occupant for sleeping purposes. This guideline can be used to determine number of occupants for each sleeping room in a rooming house and the total number of occupants for the structure.

Tenants of rooming houses rent the rooms because the rent is more affordable. They are either close to public transportation and/or to the university and do not have vehicles. The impact to the neighborhood would be minimal.

Landlords are forced to violate the occupancy limit because they have the physical space, but under city documentation are only allowed a reduced number of occupants, thus making enforcement difficult. Certain living and sleeping areas, which were legal at one time, cannot currently be used as habitual space.

Tool 28: Special Population Housing

Description

Special populations include those people with disabilities, the chronically mentally ill, and homeless individuals and families. These groups are often included in the very low income group and earn on average approximately $6,000 a year. The Department of Housing and Human Services at the City of Boulder provides operating support to service providers working with special populations through its Human Services Fund. In addition, the Community Development Block Grant funds are allocated to meet the capital needs of agencies serving this group.

Background

Affordable housing for special populations is found in Housing Authority units and in the Section 8 program, which involves private landlords and a federal subsidy. The majority of funding for this group comes from federal sources. As a result, special populations are vulnerable to changes in federal spending priorities. In addition, there is insufficient housing in the community to meet the needs of this group.

Based on interviews with service providers to the disabled population, there is a very limited supply of housing for disabled adults and lengthy waiting lists for the few facilities which offer these options.

Programs in place now for special populations:
Removal of Architectural Barriers Program: Community Development Block Grant funds are allocated to make homes occupied by persons with mobility impairments accessible. Funds are used to widen doors, lower counter tops and install roll in showers. Approximately 150 homes have been made accessible with Block grant dollars over the last 18 years. Funds have been allocated to the Center for People with Disabilities, the Housing Authority and Affordable and Accessible Housing Options for Physically Challenged (AAHOP).

Purchase of Group Homes:
CDBG and HOME funds have been allocated to the purchase of group homes by : the Mental Health Center for the chronically mentally ill, Attention Homes for displaced and homeless youth, Safehouse for victims of violence, and Emergency Family Assistance for homeless families.

Capital and Operating Support: have been provided to a number of housing providers including the Boulder Shelter for the Homeless, Boulder county Safehouse, Attention Inc. Each of these agencies provide emergency shelter and services to the homeless.

History of support to homeless needs: Over the last twenty years, the city has supported a number of homeless activities. In 1979, Community Development Block Grant funds assisted in the purchase of the Boulder Safehouse Emergency Shelter. The Boulder County Safehouse Emergency Shelter provides shelter and emergency services to more than 300 battered women and their children each year.

Block grant funds were awarded to the Emergency Family Assistance Association in 1981 towards the purchase of the Echo House apartments. Echo House provides emergency housing and casework for approximately 75 homeless families annually.

In 1987, the city allocated Community Development Block Grant dollars to the Boulder Shelter for the Homeless. The funding was used to purchase the Shelter's existing facility, located at 4645 N. Broadway. The agency provides overnight shelter for up to 68 men and women per night; approximately 1,010 unduplicated persons are served by the shelter on an annual basis.

Other sheltering agencies in the community include:

Attention, Inc.:	provides residential care and on grounds educational program to adolescents between the ages of 12-18. Approximately 210 persons are served on an annual basis.
Mother House:	provides emergency shelter, counseling to unwed mothers.

How many units currently?
According to the Mental Health Center, 150 chronically mentally ill individuals are at risk of homelessness in the community. There are 185 shelter beds available to meet the needs of approximately 671 homeless persons in the county. As population continues to grow county,,wide, and vacancy rates remain low, this group will find it increasingly difficult to locate affordable housing in the city.

Who benefits directly or indirectly?
This tool would directly benefit the homeless and those at risk of homelessness.

Option One: <u>Maintain/Support Special Population and Homeless Programs.</u>

Option Description
Continued funding to these sources is critical to maintaining the existing supply of affordable and accessible units in the city. This tool recommend creating active partnerships between non,,profit housing and service providers and private developers to acquire and build units.

Actions Needed
Allocation of city funding to provide some operating support to special population and homeless providers. Providers would also be encouraged to develop capital improvement plans and request funding from the Community Development Block Grant fund.

Location
The tool would be used to continue to develop facilities throughout the city.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
Short-term: Continue current programs; facilitate partnerships.

Issues
The number of homeless beds may increase over time. However, it is difficult to assess the need given the transient nature of this population.

Option Two: Expand support to special population and homeless providers.

Option Description
This tool recommends creating active partnerships between non-profit housing and service providers and private developers to acquire and build units. Allocation of city funding to provide some operating support to special population and homeless providers would be needed. Providers would also be encouraged to develop capital improvement plans and request funding from the Community Development Block Grant fund. In addition to maintaining funding and programs, new fund sources should be south to expand these programs.

Tool 29: University-Related Housing - New

Description
This tool proposes increasing the number of on- and off-campus housing units for university students, faculty and staff.

Background
As a university community, students have historically comprised a significant portion of Boulder's population. The city estimates that 21-26% of the city's population are University of Colorado students. In the fall of 1997, the university's enrollment was 25,100, of which approximately 6800 students lived on-campus (dormitories and family housing). Issues related to off-campus student housing and behaviors have resulted in tensions between the city and the university over the years.

University of Colorado student enrollment is projected to increase by approximately 1800 students over next decade, generating additional housing demand in the community. Unless additional student housing is constructed, this will result in increased demand for existing housing units, additional student rentals in neighborhoods, upward pressure on housing prices and increased competition for available units.

The department of housing is the university auxiliary that provides affordable housing to students and student families. The department has traditionally provided housing for one-quarter to one-third of the student population. This has come mostly in the form of traditional residence hall arrangements and family housing apartments. The university is considering the construction of new student housing. This would be the first new university housing constructed in more than 30 years, while enrollment has increased by approximately 4000 students. In recent years, the university has had demand for 350-400 beds/units that they have not been able to provide.

Increasing the *supply* of student housing on- or near campus would directly mitigate the traffic impacts and impacts to the existing housing market of increasing enrollment. This tool suggests examining the feasibility of increasing on- and off-campus housing units to accommodate the projected 1800 student enrollment increase over the next decade.

Provision of affordable housing alternatives for faculty and staff has become an increasing problem over the past decade for the university. According to the university's housing office, in the housing department alone, 15-18% of the staff positions are vacant and it is very difficult to recruit staff. The cost of housing in Boulder has increased at a much greater rate than faculty and staff salary increases over the past decade. As a result, many junior faculty and staff are no longer able to qualify for homeownership. Faculty are recruited from a national market, and the high cost of housing has affected both recruitment and retention of faculty. Nearly all private institutions with which CU competes in the marketplace, and most public institutions in areas with high housing costs, offer faculty some type of mortgage support or equity sharing program.

The provision of both on-campus housing and housing assistance to faculty and staff are university, and not city, responsibilities. However, there are opportunities for the city and university to cooperate on housing issues of mutual concern.

How many units currently?
University housing - 5919 beds in dormitories, 860 apartments.
Off-campus - Based on the city's citizen survey, we estimate that approximately 16-17,000 students live off-campus in the city of Boulder. The citizen survey shows that 78% of the students living both on- and off-campus in Boulder are renters; 22% are homeowners.

Who benefits directly or indirectly?
University students, faculty and staff would directly benefit. Low and moderate income households would benefit from an increase in the supply of student housing.

Option One: Construct new student housing on university property.

Option Description
This option proposes construction of new student housing on university-owned sites. These units would most likely be apartments, possibly townhouses, and would not be dormitories or high-rise. The construction of housing by CU has multiple benefits including: the provision of additional affordable housing for students, helping more students be part of the community instead of commuting; increasing the availability of the residential campus experience to students, contributing to higher graduation rates, mitigating the housing, traffic and other impacts to the community of increasing enrollment, and providing a more controlled living environment.

The institutional master plan for the Boulder campus recognizes that residential life will continue to be an important aspect of the university experience, and acknowledges that "housing must continually adapt to meet changing enrollment trends." New university housing will be consistent with the university's Total Living Environment concept. The university is looking at the possibility of private financing and construction of new units on existing campus properties. The alternative currently being considered is the construction of two phases of 250 beds each.

Actions Needed
- Regent approval of Williams Village Micro Master Plan and/or plans for any other site proposed for additional student housing;
- University resolution of issues relating to 3rd party financing and construction, and execution of a contract between the university and private developer; or securing of alternative financing and construction arrangement;
- Input from the neighborhoods adjacent to any proposed housing sites;
- Resolution of city-related planning and infrastructure issues.

- Establish a formal relationship between the city and the university to coordinate and assist one another in the planning and provision of additional housing.

Location
The sites being considered by the university include Williams Village, Research Park, and north of Boulder Creek in short/medium term; potentially at the Flatirons site in the long-term.

Cost
CU is exploring private financing and construction on university property. The university will need to carefully structure the arrangement with a third party to ensure the university is not considered financially responsible and the university's debt capacity is not affected.

If the units are privately financed and constructed, the private developer would finance the project and the students living in the units pay the costs through rents. All university housing is financially self-supporting, and is not subsidized by state funds.

Timing:

Short-term (6 months):	Site selection by University of best site(s) for housing. Completion of CU-Boulder Long-Term Facilities Master Plan Update and micro master plan for Williams Village.
Mid-term (18 months):	Determine financing and construction arrangement and enter into contract for construction of first phase of units
•	Begin construction of housing units
Long-term:	Construct additional phases

Issues
This is of great interest to the city, however on-campus housing is a university responsibility and not within the city's purview. The university will need to carefully structure any arrangement with a third party to ensure the university's debt capacity is not affected. Additionally, the university is concerned about providing an oversupply of university housing, since many students prefer to live off-campus after their freshman year. Adjacent neighborhoods will be concerned about any proposed new development and its design.

CSU has constructed significant additional apartment housing for students in the past 8 years. The university constructed apartment style units on campus and also sold land to a private developer for the construction of units for students (Rams Village). University policy is to house 30% of the student population.

Option Two: Increase number of off-campus housing units targeted for students in locations close to the campus.

Option Description
Increase the supply of off-campus housing in locations close to the campus through redevelopment and/or rezoning of appropriate sites. These units would most likely be rental units in apartment complexes, but could also be condominiums or townhouses.

Actions Needed
- Identify and examine potential areas suitable for new student housing. This may include opportunities based on existing zoning and potential sites for land use changes/rezoning to add residential use or increase density.
- Remove barriers/identify incentives to encourage redevelopment.
- Change Comprehensive Plan land use and/or zoning designations where needed.

Examine feasibility of increasing on and off-campus housing units to accommodate projected 1800 student enrollment increase over the next decade.

Location
Examine locations close to CU, primarily east of campus: Boulder Valley Regional Center, area east of Folsom and west of 30th St., between Baseline and Arapahoe; south of Baseline between Broadway and 30th.

Cost
Private sector funding would be used. There may be opportunities for city/university/private sector partnership.

Timing:
Short-term (6 months): Identify appropriate locations for additional off-campus student housing.
Remove barriers to construction of new units, e.g. changes to the city's Residential Growth Management System.
Implement city/university incentives. These might include identifying sites for the development community, potential non-monetary university involvement in certain projects such as commitment to list units in their student housing information, etc.

Mid-term (18 months): Implement Comprehensive Plan and/or zoning changes.

Issues

Neighborhoods will be concerned about potential increases in the number of student housing units and potential impacts including noise, property maintenance, parking, etc. Community may be concerned about potential increases in density, zoning changes, overall number of housing units. In Madison, WI, additional student housing is being provided by private sector in locations close to campus in response to student demand. Developers are putting together parcels with lower quality stock and redeveloping with higher density/quality infill. As a result, problems with maintenance of the housing stock have decreased. Existing zoning allowed higher densities. Boulder may be able to use a similar model in some locations.

Option Three: Support university efforts to provide housing or housing assistance for University of Colorado staff/faculty.

Description: This option proposes the provision of housing or housing assistance for University of Colorado faculty and/or staff. The provision of housing assistance to university faculty and staff is primarily a university responsibility. However, this option suggests that the city explore opportunities with the university for cooperation on faculty and staff housing issues.

Who benefits directly or indirectly?

University of Colorado faculty and staff.

Location

Williams Village. There may be opportunities at other sites such as the Drive-In.

Cost

Unknown. There may be opportunities for city/university/private sector partnership.

Timing:

Short-term (6 months): Completion of Williams Village Micro Master Plan, with potential for inclusion of faculty/staff housing.
Establish city/university working group to explore opportunities for city/university cooperation on housing issues.

Issues

This is of great interest to the city, however it is primarily a university responsibility.

Examples

Many private and public universities provide housing or housing assistance to university employees.

Tool 30: Very Low/Low Income Family Assistance

Description
This tool would create an incentive for landlords to participate in a reduced rent program, including the Section 8 rental assistance program.

Background
The Section 8 tenant-based rental assistance program is funded by HUD and administered by the Housing Authority and other non-profit organizations. Section 8 assistance allows landlords to receive in rent from a tenant an amount calculated at approximately 30% of income while receiving from HUD the difference between the tenant's rent and a fair market rent (FMR). There are approximately 600 people being assisted in the City of Boulder with Section 8 assistance.

Boulder residents whose family income is between $2,840 and $11,360 Section 8 really have_only two viable housing options: the Section 8 rental assistance program and the public housing program. Both of these program have a waiting list in excess of 900 families, translating into a wait of 2-5 years.

How many units currently?

Housing Authority - City	511
Housing Authority - County	30
Mental Health Center	60
CPWD	6

Who benefits directly or indirectly?
This tool would directly benefit families, elderly residents and single people with disabilities with incomes on average of $12,250. Indirectly, landlords would benefit from receiving a contractually guaranteed rent payment. Landlords may also experience an increased share of the rental market.

Option One: <u>Create incentives for landlords to participate in the Section 8 program.</u>

Option description
This tool suggests developing incentives to encourage more landlords to participate in the Section 8 program. Incentives could include training and technical assistance for landlords; or it could include financial and regulatory relief, such as exempting them from rental licensing inspections and fees. The U.S. Department of Housing and Urban Development (HUD) requires Section 8 administrators to perform annual inspections on properties participating in the program. HUD inspection standards exceed the current local inspection standards. This could be a sufficient additional inducement for landlords to want to participate in the program.

Actions needed

Engage landlords in an analysis of non-participation in the Section 8 program to determine what incentives could be offered locally. Transfer responsibility of inspecting properties participating in the Section 8 program to the Housing Authority.

Location

This tool would be applied to Section 8 units throughout the city.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)

This option could be addressed in an 18 month time frame.

Issues

The tool addresses the concern that some local landlords are opting out of the Section 8 program. It is intended to attract and retain landlord participation in the program at the January 1, 1998 level by considering options that reduce bureaucracy.

There are two significant problems with the belief that the Section 8 program can meet all of the needs of the very low income population: 1) the supply appears to be approximately 1,700 units short of demand; 2) it is difficult to persuade landlords to participate in the program when the rental market is tight.

Option Two: <u>Provide a property tax rebate (or similar tax incentive) to local landlords who agree to establish rents below the Fair Market Rents.</u>

Option description

This tool suggests consideration of incentives to encourage more landlords to set rents at levels affordable to low income households by giving them a monetary reason to do so. Landlords willing to set rents at 60-80% of the FMR would receive a credit against their property taxes - or have their property tax base frozen at the level recorded at the initiation of their participation in the program. The base would remain frozen during their participation in the program, providing more substantial incentives over time.

Actions needed

The City would need to lobby the county to provide rebates or credits to landlords participating in the program. A system would also have to be established to monitor the program.

Location

The tool would be applied to units located throughout the city.

Timing: Short-term (6 months), mid-term (18 months), long-term (2 years)
Mid-term.

Issues
Property taxes are controlled by the county.

Option Three: Maintain the use of local and federal resources for support of very low and low income families and seek additional funds to expand current programs.

Option Description
Currently, the City allocates local and federal funds for the acquisition and construction of affordable units. Units that are acquired or built with these funds become permanently affordable to low and very low income people, through a deed restriction. Funds are allocated once a year on a competitive basis. Both not-for-profit and for-profit groups are eligible to receive these funds. This tool proposes that these resources continue to be targeted to low income people and that new sources of additional funds be sought to expand these programs. The programs are:

Existing programs
Grant funds:
- Community Housing Assistance Program (CHAP): local fund source from property tax and tax on new development
- Community Development block Grant (CDBG) and HOME funds - federal sources allocated to housing.

City run programs:
- Mobile Home Rehabilitation - grants up to $5,500 to correct housing code and life safety problems
- Rehabilitation Loan Program - low interest loans of up to $15,000 are provided to single family homeowners for a term of 30 years to allow the homeowner to remain in their home under decent and safe conditions
- First Home - down payment assistance program.

Actions Needed
Continue to target grants to units that are permanently affordable to very low and low income people. Review by the Funding Task Force for additional sources of funds to expand this program.

Location
Units to be dispersed throughout city and acquired or built by non-profit and for-profit organizations.

Cost
An average subsidy of $15,000 to $20,000 per unit has been needed historically. For each additional $500,000 in revenue gained, 23-25 additional units could be acquired.

Timing: Short-term (six months), mid-term(18 months), long-term (2 years)
Short-term: Continue to award grants with current funds; direction from Council to proceed; review by the Funding Task Force.

Mid-term: New funding source in place, additional grants awarded through current allocation system.

Issues
- Federal sources may not continue at current levels; a replacement source of funds may be needed.

Option Four: Create an equity pool for renters.

Option Description
Those renting in the private market, particularly in the Section 8 program, could borrow the funds to pay the required first and last month's rent and/or damage deposit.

Actions Needed
Seed money could be provided through and initial city grant. Matching sources have been made available from other sources for these programs in other communities As loans are repaid, new loans can be made.

Location
This pool could be used for units anywhere in the city of Boulder.

Cost
Grants could be in the range of $500 to $3,000, depending on the requirements of the lease.

Timing: Short-term (six months), mid-term(18 months), long-term (2 years)
Short-term: provide the initial grant and seek matching funds; publicize the program.

Mid-term: evaluate the program to see if loans are repaid and if the program can become self-supporting.

Issues
- Rates of default have been higher on these types of loans (than on other types of loans associated with homeownership), as lower income people may have difficulty saving money to repay the loans.